

BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Business Meeting)
_____)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A, 1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, DECEMBER 10, 2014
10:00 A.M.

Reported by:
Kent Odell

APPEARANCES

Commissioners Present

Karen Douglas
David Hochschild
Andrew McAllister
Janea Scott

Staff Present

Rob Oglesby, Executive Director
Drew Bohan, Chief Deputy
Jeff Ogata, Acting Chief Counsel
Pippin Brehler, Legal Staff
Alana Mathews, Public Advisor
Lisa DeCarlo, Staff Counsel
Marcia Smith, Office of Local Assistance and Financing
Joseph Wang, Technical Staff
Laurie ten Hope, Deputy Director for Research &
Development,
Environmental Energy Technologies Division

Item No.

Kevin Barker	2
Thomas Gates	3
Paul Kramer	4
Dale Rundquist	5
Camille Remy Obad	6
Todd Ferris	7
Elizabeth Shirakh	8
Ken Rider	9
Nick Fugate	10
Jim Woodward	11
Michael Murza	12
Michael Sokol	13
Kevin Uy	14
Cheng Moua	15
Cheryl Closson	16
Sarah Williams	17
Jacob Orenberg	18
Juan Garcia	19
Juan Garcia	20
Mike Jaske	21

APPEARANCES (Contin.)

Also Present (* Via WebEx/Phone)

*Sarah Clark, on behalf of Colorado River Indian Tribes (CRIT)
Robert Sarvey, Intervenor
John McKinsey, Counsel for Project Owner
Kerry Willis, Senior Staff Counsel
Randy Keller, Director of Transmission, CalEnergy
Jane Luckhardt, on behalf of Avenal Power Center
Jim Rexroad, Avenal Power Center
Bob Raymer, California Building Industry Association
and California Business Properties Association
*Michael Gabel, Gabel Associates, representing CABEC
Frank Tom, Green Charge Networks
Mark Johnson, ConSol, representing International
Window Film Association
Rick Brown, Terra Verde
Anna Ferrera, School Energy Coalition
Marc Roper, Sovereign Modular
*Kate Gordon, Next Generation (NextGen), Citizens
Oversight Board
Dan Chia, SolarCity and on behalf of Solar Energy
Industries Association (SEIA)
Aaron Feit, Feit Electric
Karl Urbank, Calpine
Gary Matthews, Vice Chancellor, University of California,
San Diego
Byron Washom, Director, University of California, San Diego

I N D E X

	Page
Proceedings	7
Items	
1. CONSENT CALENDAR.	
a. DEPARTMENT OF PARKS AND RECREATION.	
b. WASTE HEAT AND CARBON EMISSIONS REDUCTION ACT (08-WHCE-1) .	
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS.	8
3. ENERGY COMMISSION TRIBAL CONSULTATION POLICY.	8
4. CARLSBAD ENERGY CENTER PROJECT (07-AFC-06C) .	26
5. BLACK ROCK 1, 2, AND 3 GEOTHERMAL POWER PLANT PROJECT (02-AFC-2C) .	46
6. AVENAL ENERGY CENTER (08-AFC-1C) .	56
7. ENERGY PRO VERSION 6.2.	63
8. CALIFORNIA CLEAN ENERGY JOBS ACT 2015 IMPLEMENTATION GUIDELINES.	77
9. VOLUNTARY CALIFORNIA QUALITY LED LAMP SPECIFICATION 2.0.	114
10. ELECTRICITY DEMAND FORECASTS.	118
11. ELECTRICITY RESOURCE PLANS.	122
12. CANADIAN STANDARDS ASSOCIATION.	126
13. ADVANCING UTILITY - SCALE CLEAN ENERGY GENERATION GRANTS, PON-13-303.	129
a. ITRON, INC., dba IBS.	
b. GEYSERS POWER COMPANY, LLC.	

I N D E X

		Page
	Items	
13.	ADVANCING UTILITY - SCALE CLEAN ENERGY GENERATION GRANTS, PON-13-303. (Continued)	129
	c. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, LOS ANGELES CAMPUS.	
	d. HALOTECHNICS, INC.	
	e. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, SAN DIEGO.	
	f. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, DAVIS.	
	g. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, SAN DIEGO.	
14.	UNIVERSITY OF CALIFORNIA, IRVINE.	157
15.	MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT.	160
16.	PAULSSON, INC.	168
17.	AIR PRODUCTS AND CHEMICALS, INC.	171
18.	COUNTY OF LOS ANGELES.	174
19.	COLONY ENERGY PARTNERS - TULARE, LLC.	175
20.	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, IRVINE.	178
21.	UNIVERSITY OF CALIFORNIA, BERKELEY.	180
22.	Minutes: Possible approval of the November 17 24, 2014 Business Meeting Minutes.	182
23.	Lead Commissioner or Presiding Member Reports.	210

I N D E X

Items	Page
24. Chief Counsel's Report:	216
a. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW).</i>	
b. <i>Asphalt Roofing Manufacturers Association v. Energy Commission (Third District Court of Appeal # C076990).</i>	
c. <i>PECG v. Brown (Alameda County Superior Court # RG10494800 [Furlough Litigation].)</i>	
d. <i>Energy Commission v. SoloPower, Inc. and SPower, LLC. (Sacramento County Superior Court # 34-2013-00154569)</i>	
e. <i>Laborers' International Union of North America, Local #1184 v. Energy Commission (Blythe Solar Energy Center), (Supreme Court # S220286).</i>	
f. <i>Communities for a Better Environment and Center for Biological Diversity v. Energy Commission (Court of Appeal, First Appellate District, # A141299).</i>	
g. <i>Helping Hand Tools and Rob Simpson v. Energy Commission (Sacramento County Superior Court # 34-2014-80001904 [Quail Brush].)</i>	
25. Executive Director's Report.	212
26. Public Adviser's Report.	217
27. Public Comment	220
Adjournment	220
Reporter's Certificate	221
Transcriber's Certificate	222

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P R O C E E D I N G S

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DECEMBER 10, 2014

10:16 a.m.

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COMMISSIONER DOUGLAS: All right, good morning. Welcome to the Energy Commission Business Meeting of December 10, 2014. We'll start with the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited in unison.)

COMMISSIONER DOUGLAS: All right, let's see, we'll just start the Business Meeting with a disclosure, I've got a disclosure and I think Commissioner McAllister, as well. On Item 13(f), I teach a Renewable Energy Law class at U.C. Davis, King Hall, every spring semester. I've done this now, this will be my third year, so I get some income from King Hall. In Item 13(f) there is a contract with the Regents of the University of California Davis, it's on behalf of the Davis campus, but it's not with King Hall, so I just wanted to make sure that disclosure was made.

COMMISSIONER MCALLISTER: A similar disclosure, my wife is a Professor at King Hall, so works for U.C. Davis, not associated with any of the projects on number 13. There are several

1 Regents of U.C., contracts there from UCLA, San
2 Diego, and Davis, I believe, but just a
3 disclosure.

4 COMMISSIONER DOUGLAS: That's great. And
5 I should actually expand my disclosure to all of
6 the Regents of U.C. contracts in Item 13, Irvine
7 as well.

8 Okay, so with that, we are on to the
9 Consent Calendar. Do we have a motion?

10 COMMISSIONER SCOTT: Move approval.

11 COMMISSIONER MCALLISTER: I'll second.

12 COMMISSIONER DOUGLAS: All in favor?

13 (Ayes.) Consent Calendar is approved
14 unanimously.

15 There are no new Energy Commission
16 appointments today, so we'll go on to Item 3,
17 Energy Commission Tribal Consultation Policy.
18 Mr. Gates.

19 MR. GATES: Good morning. My name is
20 Thomas Gates. I work in the Cultural Resources
21 Unit of the Siting Transmission and Environmental
22 Protection Division. Over the last two years,
23 I've worked with Deputy Director Johnson, who is
24 also the Energy Commission Tribal Liaison, to
25 develop a policy, the policy that is currently

1 before you.

2 The purpose of this policy is to fulfill
3 the Governor's Executive Order B-10-11, and the
4 California Natural Resources Agency Consultation
5 Policy to ensure effective consultation between
6 the Energy Commission and tribal entities during
7 the course of considering and implementing Energy
8 Commission actions.

9 Over the last two years, the Governor's
10 Tribal Advisor and the Resource Agency have
11 encouraged state agencies to develop tribal
12 consultation policies consistent with the
13 Executive Order and consistent with the Resource
14 Agency Tribal Consultation Policy.

15 Specifically, the policy before you
16 identifies the unique mission of the Energy
17 Commission, identifies the Commission's tribal
18 liaison, affirms the Energy Commission's tribal
19 liaison's participation in the Natural Resources
20 Agency Tribal Liaison Committee, outlines the
21 Energy Commission's 10-step Tribal Consultation
22 process, provides mechanisms for the exchange of
23 confidential information between the Energy
24 Commission and tribes, stipulates the level of
25 docketing and public disclosure of Energy

1 Commission tribal communications, suggests ways
2 for fostering long-term tribal Energy Commission
3 relationships, and lists applicable training
4 opportunities that will assist Energy Commission
5 staff in implementing the Tribal Consultation
6 Policy.

7 Staff has worked for two years to bring
8 this policy to the point of adoption. These are
9 the steps we've taken to bring this policy before
10 you today: we put the draft policy out to all
11 tribes in California for a 90-day tribal review
12 comment period; we've held Southern California
13 policy meetings in Palm Springs and a Northern
14 California Policy Meeting in Redding and for all
15 interested tribes we collected verbal comments at
16 those meetings; we responded to four tribal
17 comment letters that were received in May; we
18 held meetings with two tribes that requested
19 singular meetings; we revised the Draft Policy in
20 response to tribal comments; and we provided the
21 Revised Draft Policy to all tribes in California.

22 Recently a letter was received on
23 December 4, 2014 from Ellison Schneider and
24 Harris, Attorneys at Law. That comment said the
25 Final Draft Policy is inconsistent with recent

1 amendments to the California Environmental
2 Quality Act per Assembly Bill AB 52. The comment
3 letter cites specific provisions of AB 52 that
4 would require a different process for developing
5 project specific tribal contact lists and
6 suggests that confidential information exchange
7 should not be just between tribes and agencies,
8 but also might require the inclusion of
9 Applicants or their consultants in confidential
10 information exchange.

11 In a brief response to these recent
12 comments, I've got four points: 1) the current
13 policy before you is consistent with the goals
14 and objectives of AB 52. The current policy will
15 provide guidance to the Commission until July
16 2015 when AB 52 amendments are to go into effect
17 and perhaps until July 2016 when the Office of
18 Planning and Research is to issue guidance on
19 implementing Assembly Bill 52. At the time that
20 guidance is issued, staff will reassess the
21 policy to determine what might need to be
22 amended.

23 AB 52 amendment language does not require
24 inclusion of Applicants in confidential
25 information exchange between tribes and agencies;

1 instead, the Amendment states that confidential
2 information exchange is not prohibited from
3 including Applicants and their agents in
4 confidential information exchange between tribes
5 and agencies.

6 Nothing in AB 52 Amendments constrains an
7 agency from doing more than the requirements that
8 are entailed within AB 52 Amendments, which we
9 believe our proposed policy does.

10 Staff recommends adoption of the Tribal
11 Consultation Policy, and staff is available to
12 answer any questions that the Commissioners might
13 have.

14 COMMISSIONER DOUGLAS: Thank you very
15 much, Mr. Gates. Is there anybody in the room
16 who would like to make public comment on this
17 item? I've got, I know, one person on the phone,
18 Sarah Clark. All right, I don't see anybody in
19 the room, so let's go to Sarah Clark.

20 MS. CLARK: Can you hear me okay?

21 COMMISSIONER DOUGLAS: Yes, we can. Go
22 ahead.

23 MS. CLARK: Thank you. On behalf of the
24 Colorado River Indian Tribes, the tribes
25 submitted a comment letter to the Public Advisor

1 yesterday afternoon. I was not sure if that
2 letter made it into the hands of the
3 Commissioners, but if it has, then I will leave
4 the comments at that; if not, I can read the
5 letter into the record.

6 COMMISSIONER DOUGLAS: Ms. Clark, if you
7 could read the letter that would be helpful. I
8 don't think we've seen it.

9 MS. CLARK: Thank you. "Dear
10 Commissioners: The Colorado River Indian Tribes
11 have been actively involved in California Energy
12 Commission siting proceedings and the development
13 of the Tribal Consultation Policies for the last
14 14 months. We were the first federally
15 recognized Indian tribe to intervene in a siting
16 proceeding, and were critical participants in the
17 Commission's consideration of both the Palen
18 Solar Electric Generating System and the Modified
19 Blythe Solar Power Project. Just last week the
20 Tribal Council invited Commissioner Karen
21 Douglas, her Advisor, Christine Stora, and CEC
22 staff member Roger Johnson and Thomas Gates to
23 participate in government to government
24 consultation at the Colorado River Indian
25 Reservation. CRIT appreciates the efforts of the

1 Commission, particularly Commissioner Karen
2 Douglas, to improve the Commission's relationship
3 with Indian Tribes. The Colorado Indian Tribes
4 support the Tribal Consultation Policy and
5 contract. The Tribes are concerned that the
6 proposed policy does not contain the tools
7 necessary to ensure adequate consultation moving
8 forward. In particular, the policy fails to
9 address or even acknowledge the significant
10 barriers that prevent adequate consultation
11 during siting proceedings. Under the
12 Commission's existing statutory scheme, tribes
13 can never engage in government to government
14 consultation regarding a specific project, given
15 the current bar on ex parte communication. And
16 if the tribe exercises its right to intervene in
17 a siting proceeding, and thereby presents
18 testimonial evidence directly to Commissioners,
19 CEC Regulations also prevent the tribe from
20 engaging in confidential discussions with CEC
21 staff. While the Colorado River Indian Tribes
22 recognize that the Tribal Consultation Policy
23 alone cannot remedy these structural concerns,
24 the benefits of the policy remain unclear as such
25 barriers persist. Further, the tribes are

1 concerned about the policy's lack of an
2 enforcement mechanism. As Commissioner Douglas
3 explained to CRIT last week, the effectiveness of
4 the policy mainly relies on an agency culture
5 that recognizes and supports government to
6 government consultation. While the Colorado
7 River Indian Tribes appreciate the Commission's
8 recent efforts with respect to consultations, we
9 also know all too well that the consultation
10 obligations can be easily (indiscernible) when
11 inconvenient, difficult, or costly. But the
12 policy could be much improved by including more
13 explicit requirements for when and how
14 consultation must occur, by providing internal
15 review procedures in the event a tribe raises
16 concerns about how a consultation has occurred,
17 and by imposing an external enforcement mechanism
18 to ensure agency compliance. Thank you for the
19 opportunity to provide comments on the Tribal
20 Consultation Policy. We look forward to
21 continuing to engage with the Commission on
22 issues important to the Colorado River Indian
23 Tribes, the State of California, and the members
24 and citizens of both governments." The letter is
25 signed by Chairman Dennis Patch of the Colorado

1 River Indian Tribes. Thank you.

2 COMMISSIONER DOUGLAS: Thank you very
3 much, Ms. Clark. It's great to get the comments
4 and I really appreciated the opportunity to meet
5 with CRIT last week. I think it was a really
6 good discussion all around and very helpful to
7 me. So let me start by making some kind of high
8 level comments on this item, and then let's just
9 see if other Commissioners have comments or
10 questions.

11 As Ms. Clark noted, much of the
12 interaction that we've had recently at the Energy
13 Commission with tribes has come in through our
14 siting work and also through our work on the
15 Desert Renewable Energy Conservation Plan.

16 In the Hidden Hills proceedings, which
17 Commissioner Hochschild and I were the Committee
18 for, and participated in probably about 40 hours
19 of hearings, I think, in that instance, we had an
20 Intervenor from the Puma Paiute Tribe which is
21 not a federally recognized tribe, but it was the
22 first time we'd really had a Native American
23 Intervenor at our proceedings, and a lot of
24 Native American interests and public comment, and
25 that was followed up in the Palen proceedings and

1 the Blythe proceedings with CRIT, the Colorado
2 River Indian Tribes, which is the first federally
3 recognized Native American Tribe to participate
4 as an Intervenor now in two of our proceedings.

5 And I think without question,
6 particularly given the issues that were present
7 and that we needed to address, in both of those
8 cases the participation of CRIT and of Richard
9 Arnold in Hidden Hills was to just vastly enrich
10 the proceeding and the information that the
11 Committee had to kind of understand and reflect
12 on the issues raised in the case. So it was very
13 helpful. And so I certainly very much appreciate
14 that effort made by the tribes.

15 In the Desert Renewable Energy
16 Conservation Plan, of course, we have been having
17 tribal leadership forums for some time now, these
18 forums are done jointly between the Energy
19 Commission, the Bureau of Land Management,
20 California Department of Fish and Wildlife, and
21 quite often I think in some of these meetings the
22 U.S. Fish and Wildlife Service present, as well.
23 We've got another of these meetings actually
24 scheduled for tomorrow, I'm hoping that I'll make
25 it out of town if all goes well, and to that

1 meeting, and even home again the next day if
2 that's not too much to ask, but we'll find out.

3 And so just quickly on that, I guess I'll
4 say that there's been this kind of really
5 interesting confluence of policies from certainly
6 the Energy Commission's perspective where we have
7 been increasingly engaged in direct communication
8 and now consultation with tribes. We are also
9 implementing the Governor's Executive Order, EO
10 B1011, which sets in place a requirement that
11 agencies undertake this kind of consultation, and
12 we have legislative direction now from AB 52 that
13 also really moves the state in the same policy
14 direction and it's about as close as you can come
15 to a clear unambiguous message to state agencies
16 that we really need to take this consultation
17 obligation very seriously and make the most of it
18 and really develop our relationship with
19 California tribes. And it's actually been a,
20 just speaking for myself for a moment, a real
21 pleasure to do that, and I've had the opportunity
22 to visit the CRIT and, also on the same trip, to
23 pay a visit to the Quechan Tribe. I'm hoping to
24 have some more tribal visits coming up early next
25 year and really welcome that.

1 I also really appreciate the comments
2 CRIT submitted, very detailed comments, on the
3 Tribal Consultation Policy. We've incorporated
4 very many of them and we had a discussion about
5 that that was pretty thorough last week. The two
6 issues that Ms. Clark raised we were not able to
7 address in this policy, I think are worth talking
8 about in front of the full Commission because I
9 think not all of the Commissioners sat through
10 the same hearings and had the same understanding
11 of the issue. But there is a real difference in
12 the way the tribes think about and the
13 expectations they have around government to
14 government consultation and what we are able to
15 do in siting cases, and that's because of the way
16 that our siting process works where the
17 Commissioners are acting in an adjudicative role,
18 and so we have very strict ex parte limitations
19 on who we can talk to outside of a noticed public
20 proceeding. So we cannot undertake direct
21 communication, even though we are the decision
22 makers on the case. We cannot invite a tribe to
23 talk to us directly about their issues or their
24 concerns or their thoughts about required
25 conditions, or mitigation, or any of that outside

1 of a workshop.

2 Now, we can have staff meet with the
3 tribes, and staff does. The staff has actually
4 done a remarkable job and I think a lot of that
5 credit for that goes to Tom Gates who is here,
6 and Roger, and others in the Cultural Unit.
7 They've done a really remarkable job of working
8 much more closely with tribes and bringing more
9 thorough information in about Native American
10 interests and concerns, and kind of connection to
11 projects and areas where projects are proposed.
12 So that's been extraordinary, but communication
13 with staff is not the same as communication with
14 decision makers. And as we discussed last week,
15 that's a function of the way our process works in
16 State Law, that's not something we can change
17 through a policy, and it raises some pretty
18 interesting ideas when you even think about it,
19 given the way our process is set up.

20 The other issue that Ms. Clark raised is
21 one that we asked for comment on in a rulemaking
22 proceeding that we have open and we asked for
23 comment from all the parties, and that issue is
24 that when a tribe intervenes in a case, they
25 become a party. And not by law, but by

1 regulation, our rules require that the parties
2 also when they meet to discuss and negotiate on
3 substantive issues that they do that in a public
4 workshop, a public forum with all parties and the
5 public present. And so again, now, this doesn't
6 impact tribes before they have intervened, or
7 tribes that have not intervened, but any party,
8 anyone who intervenes becomes subject to this
9 rule, as well.

10 So these are two issues that cannot be
11 resolved through a policy, but I think it's fair
12 to say they are and remain important issues to
13 CRIT and issues that we need to think about as we
14 go forward with consultation. I will pause
15 there. I would like to see -- Ms. Clark, do you
16 have anything to add or respond to?

17 MS. CLARK: No, thank you. I appreciate
18 your comments and I think you've covered well
19 where our disagreements still are.

20 COMMISSIONER DOUGLAS: Excellent.
21 Commissioners, comments, questions? Okay. A
22 motion?

23 COMMISSIONER HOCHSCHILD: I'll make the
24 motion.

25 COMMISSIONER MCALLISTER: So could you

1 talk a little bit more about the process going
2 forward with respect to the new law and sort of
3 how the true up is going to happen, sort of the
4 process that we envision for that?

5 MR. GATES: So as to Assembly Bill 52 and
6 the Amendments to CEQA that that Bill affects,
7 those Amendments do not go into effect until July
8 2015. Office of Planning and Research then has
9 an additional year to write guidelines on how to
10 actually implement those Amendments.

11 There is some confusion in those
12 Amendments and the Heritage Commission,
13 particularly there's probably five or six
14 different areas which probably would take a lot
15 of time to go through, but I'll go to exactly the
16 one issue which has got to do with how they form
17 the contact list. The current process is you go
18 to the Heritage Commission project by project,
19 they provide you a contact list of tribes for
20 that project. There is a new idea in the
21 Amendments, again, not going into effect until
22 July of 2015, that would require Heritage
23 Commission to put out a mass mailing to all
24 tribes in California providing them contacts for
25 all agencies that might be operating in those

1 tribes' ancestral territories, requires then
2 tribes, absent a project, to respond to each
3 agency that they want to be consulted with, and
4 then requires in a given project that an agency
5 then responds -- and it's not clear then to who
6 based upon that subset of tribes that have asked
7 to be corresponded with, and so that creates a
8 lot of problems for the Heritage Commission and
9 they're not quite sure how they're going to
10 implement that. So in the meantime, they will
11 maintain the list until they figure this out, and
12 it may even take beyond July 2015 up until July
13 2016 for the OPR to actually figure out how to
14 provide guidelines that gives direction to
15 agencies, consultants, and tribes. So that's
16 particularly one area that I think is at issue.

17 COMMISSIONER MCALLISTER: So that's
18 interesting, that goes to some of the points that
19 Commissioner Douglas was making with respect to
20 how we make sure we keep the conversation going
21 and this is a vital part of the process, right,
22 which I guess is the point. But I guess on sort
23 of a pragmatic level, we would not sort of reopen
24 this discussion most likely for new guidelines
25 until that whole process had kind of played out

1 and there was direction from OPR. Is that a
2 correct statement?

3 MR. GATES: That's my thought.

4 COMMISSIONER MCALLISTER: So we have some
5 gap while these that we're about to vote on, if
6 we vote them affirmatively then they will apply
7 until that happens, and then we'll update them as
8 needed. Is that how you see the process?

9 MR. GATES: That's my understanding, yes.
10 And I think in the interim it is wise to have a
11 policy that gives staff direction on how to
12 contact and I don't think the Heritage Commission
13 is ceasing or stopping their dissemination of
14 contact lists until this is figured out.

15 COMMISSIONER DOUGLAS: You know,
16 Commissioner McAllister, your question just
17 triggered two things that I had meant to bring up
18 and didn't. The first is to emphasize that,
19 while this issue has really been implemented
20 first in a siting context, and the tribal
21 liaison, Robert Johnson, and I'm sorry, the title
22 of Assistant or Associate, you know, the sort of
23 second tribal liaison, is Tom Gates out of
24 Siting. This policy applies broadly to all of
25 the work that the Energy Commission does and so,

1 whether it's for example Title 24, or the AB 118
2 Investment Plan, or potentially some Renewables
3 Programs, you know, all of us as we carry out the
4 Energy Commission's business are going to be now
5 thinking about what issues should trigger a
6 consultation effort. And part of the purpose of
7 having the policy is just to help staff,
8 especially in the Divisions that are not as used
9 to doing Tribal Consultation, understand what to
10 do, and what are the steps, and they'll have help
11 from Tom and Roger in doing that. So that's one
12 point that I think I should have made, and I
13 think the other one is that it is probably true
14 that for different kinds of issues, different
15 levels of effort are appropriate. In the general
16 statewide context, when we're doing something
17 like the AB 118 Investment Plan, for example, all
18 tribes in the state might have an interest, there
19 aren't any tribes that we know in advance might
20 particularly have a very deep interest, although
21 some of them very well might, and so AB 52 sets
22 out certain requirements for outreach to tribes
23 that sort of contemplate this kind of statewide
24 potential interest and invitation to consult.

25 In the siting context, of course, when

1 you have a specific project proposed in a
2 specific location, our staff actually have real
3 knowledge and relationships that they can bring
4 to bear, in addition to whatever lists they get
5 from the Heritage Commission. And so doing some
6 additional outreach, or just making sure that
7 nothing falls through the cracks, and really
8 making sure that we have reached out to the right
9 tribes on siting matters as early as possible is
10 important, and that's where I kind of get to
11 different levels of effort. We might even, when
12 the guidance is in place for AB 52, and we amend
13 our policy to be consistent with that, you know,
14 we might still choose to over-comply in some
15 areas for some reasons where we think there's a
16 reason to do so. So we don't see it -- I think
17 Mr. Gates mentioned this -- we don't see it as
18 setting a ceiling on level of efforts, you know,
19 we'll do what's reasonable and makes sense, but
20 at least within a policy. So with that, did we
21 have a motion?

22 COMMISSIONER MCALLISTER: Yeah. I'll
23 second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) This item is approved

1 unanimously. Thank you.

2 COMMISSIONER DOUGLAS: Let's go on to
3 Item 4 now, Carlsbad Energy Center Project,
4 Decision of the Appeal Filed by Robert Sarvey of
5 the Carlsbad Amendments Committees, October 31,
6 2014 Order, granting his petition to intervene in
7 the proceeding. Mr. Sarvey is appealing the
8 portion of the Order which limits his
9 participation as an Intervenor to the topic areas
10 of air quality, greenhouse gases, public health,
11 and alternatives. Let's see, so Mr. Sarvey I see
12 is here, very good. So, Mr. Kramer, well, let's
13 see, what order shall we do this in? Do you want
14 to open it up and then go to Mr. Sarvey?

15 MR. KRAMER: Sure. And I was going to
16 respond to a few of the points that Mr. Sarvey
17 made in his appeal. First of all, he suggests
18 that Public Resources Code § 25214 gives he and
19 any other person a right to participate on any
20 topic in our proceedings. And in our view, it
21 does not. The term that is used is "interested
22 party" and that's defined in § 25114 as "any
23 person whom the Commission finds and acknowledges
24 as having a real and direct interest in any
25 proceeding."

1 The process of obtaining that
2 determination is carried out in the process of
3 getting Intervenor status and, of course, what
4 the Committee did was identified what it believed
5 were Mr. Sarvey's relevant interests.

6 In answer to the argument that it is
7 difficult to identify issues of interest to a
8 potential party at the earlier stages of a
9 proceeding, let's say just after an Application
10 or an Amendment Petition is filed, I note that
11 the Committee recently discussed its expectations
12 with the parties in this case, and let me quote
13 from one of them, "The parties shall review the
14 preliminary staff assessment and be prepared
15 during the January Status Conference to describe
16 the issues that remain of concern to them, and
17 any topics that they propose be discussed at
18 staff PSA workshops. The Committee may adjust
19 the scope of any Intervenor's participation to
20 conform to the interests of the Intervenor, and
21 the efficient and effective conduct of the
22 proceeding. If after reviewing the PSA an
23 Intervenor desires to expand the scope of its
24 intervention, its status report shall describe
25 the additional topics, the basis for the

1 expansion including the Intervenor's interest in
2 the new topics, the potential effects upon
3 Intervenor's interest, and any special knowledge
4 or expertise the Intervenor would bring to the
5 proceeding."

6 Mr. Sarvey reads a residency requirement
7 into the Order, in other words, one must live in
8 the area in the project vicinity in order to
9 fully participate. That is not so. The
10 expectation I just read to you indicates that the
11 scope of participation for all parties will be
12 reviewed as we go forward in the proceeding.

13 He also asserts that this change in
14 practice must be implemented by a formal
15 rulemaking. The Committee disagrees with that.
16 The ability to determine the reasonable bounds of
17 intervention is set forth in the intervention
18 regulation, and it's further supported by that
19 committee's general power to regulate the conduct
20 of the proceedings before it.

21 Mr. Sarvey expresses a concern that this
22 amendment is not treated as a new Application for
23 Certification which would require a significant
24 application fee. He feels that ratepayers who
25 pay a monthly fee to support the Commission's

1 activities are disadvantaged by our taking this
2 approach. He has not explained, however, how
3 that ties in to any of the topic areas that the
4 Committee considers and justifies expanding the
5 scope of his participation. He is, of course,
6 free to raise that and other issues by way of
7 public comment.

8 Mr. Sarvey cites his record of
9 participation in prior Commission siting matters
10 including laudatory comments made by committees
11 and other parties. That history is not what we
12 need to be able to determine the scope of his
13 participation, however. We are looking for a
14 clear articulation of his interests and concerns
15 regarding this case. As should be clear by now,
16 the Committee has taken a more active role in
17 managing the progress of the proceeding from
18 start to finish. We are encouraging the early
19 identification of issues so that they might be
20 resolved where possible and, if hearings are
21 necessary, we want those hearing to be well-
22 organized with minimal surprise for the parties
23 in order to develop the best possible record. We
24 encourage active participation all along the way,
25 timely review of information as it becomes

1 available, and expect fine tuning of the issues
2 as time passes.

3 Finally, Mr. Sarvey asserts that the
4 Committee somehow limited his right to make
5 public comments by expressly saying in the Order
6 that those rights were not affected; that is
7 incorrect, he remains free to make any public
8 comment on any of the topics whether or not he is
9 qualified as an Intervenor on those topics.

10 The Committee recommends that you deny
11 Mr. Sarvey's appeal and affirm the Committee's
12 October 31st Order. This morning I distributed a
13 Draft Order to that effect for your
14 consideration. Among other things, the Order
15 notes again that the limitations on his
16 intervention do not affect his right to make
17 public comments on any topic. It also says that
18 it is effective as of today for purposes of
19 subsequent litigation or reconsideration motions,
20 so in other words the time to do that starts
21 today if you adopt the Order, of course. I'm
22 available for questions.

23 COMMISSIONER DOUGLAS: Thank you, Mr.
24 Kramer. Let's go to Mr. Sarvey.

25 MR. SARVEY: Thank you, Mr. Kramer.

1 Thank you, Commissioners. I always hesitate to
2 appeal something to the full Commission, I feel
3 Business Meeting time is very important and I
4 don't like to take your time up in this manner,
5 but this is not really about me, this is about
6 public participation. And I've participated here
7 at the Energy Commission since 2001 and my first
8 project was the Tracy Peaker Project. And all
9 this time I've valued the public input that's
10 been allowed, it's never been limited, and when
11 it came time to limit someone, it was always done
12 at the prehearing conference and that's the
13 appropriate way to do it. If you limit an
14 Intervenor at the beginning of the process, how
15 can he put in data requests to find out what
16 these issues really are with the Applicant, with
17 staff? Your limiting the Intervenor from the
18 onset is not a good idea.

19 And Mr. Kramer referenced a Committee
20 Order that just came out, it came out after I
21 filed my appeal to the full Commission and, in my
22 eyes, I handed that out to you as an attachment,
23 and in my eyes this is basically acquiescing to
24 the fact that we've always gone to the prehearing
25 conference and that's when your intervention was

1 limited. And at no time was any frivolous type
2 activity accepted and every Hearing Officer that
3 I've been before has had no problem controlling
4 an Intervenor, not that I haven't seen plenty of
5 problems controlling members of the public; and I
6 don't want to be in a dual role, I don't want to
7 be a member of the public and I want to be an
8 Intervenor. If I have a dual role, I think it's
9 very very confusing and I think it's going to
10 cause a lot of procedural problems.

11 I'd like to give you an example of
12 something that I disagree with Mr. Kramer on and
13 that's Finding 11 in the Committee Order to limit
14 my participation, it says I can only cross
15 examine witnesses in the topic area of Air
16 Quality, GHG Emissions, Public Health, and
17 Alternatives. And to me, §25214 of the Public
18 Resources Code allows me to actually ask any
19 witness, and I don't think there's anything,
20 there's no law or anything that says a member of
21 the public can't come in and ask questions of any
22 witness. And so when I go to prepare my cross
23 examination schedule, do I prepare a cross
24 examination schedule as a member of the public as
25 an Intervenor? Are there two cross examination

1 schedules? And then when I hand in my testimony,
2 which I'm going to do whether I'm limited or not,
3 how is that testimony going to be treated?

4 So I think it creates a lot of procedural
5 issues that aren't unnecessary, we can get to the
6 prehearing conference and Mr. Kramer is quite
7 capable of keeping us all in line, and he will
8 make those calls at that point and I think that's
9 the appropriate time to do it.

10 And I want to leave you with just one
11 thing about limiting people's participation. And
12 I'll call your attention to the second piece of
13 paper I handed out here, it's actually an email
14 from Mr. Kramer and it's referring a matter to
15 the IEPR Committee. So in the original Carlsbad
16 proceeding, this Intervenor who did not live in
17 Carlsbad raised an issue of compliance and
18 closure. His comment was forwarded to the IEPR
19 Committee, as I said, by Mr. Kramer. Obviously
20 this was an issue of statewide importance, but
21 that Intervenor did not live in Carlsbad, nor was
22 he an expert in compliance and closure, but he
23 contributed something to the proceedings that was
24 so important it was elevated to an IEPR referral.
25 And that Intervenor was Mr. Rob Simpson. He's

1 the one at the last, well, two business meetings
2 ago he was denied full intervention. So now he
3 can't come in compliance and closure and press
4 his issues. So I think it's very very
5 unproductive to limit an Intervenor at the
6 beginning, it's not a good public participation
7 move by the Commission as we've always been so
8 freely accepting public participation, and a lot
9 of us have made contributions, and those that
10 haven't, we've been told, you're out of line, go
11 sit down. And I don't think there's any issues
12 there.

13 So with that, I think you probably read
14 what I submitted and, you know, I think you
15 probably ought to hear the Governor's voice,
16 maybe we ought to hear from the Public Advisor on
17 this issue.

18 COMMISSIONER DOUGLAS: Mr. McKinsey, any
19 comments?

20 MR. MCKINSEY: Thank you. John McKinsey,
21 we're counsel for the Project Owner in this
22 proceeding and I wanted to first say that the
23 project owner supports the Committee's decision
24 to limit Mr. Sarvey's intervention and I won't
25 repeat all of the points we made, but I wanted to

1 emphasize something I emphasized when we were
2 addressing Mr. Simpson's intervention before the
3 Commission, and that is it remains the fact that
4 discretion, that the presiding member has this
5 very broad discretion to decide intervention.
6 And while Mr. Sarvey's arguments can be taken,
7 you could agree or disagree with the public
8 policy components and the reasonings for them, it
9 simply remains that there's nothing unlawful or
10 incorrect about the decision by a committee, by
11 the presiding member, to choose whether or not
12 with an intervention that remains the fact that
13 §1207 of the regulations says that the presiding
14 member *may grant*, and those two words are quite
15 key because "may" implies discretion, and the
16 "grant" implies that it's something that would be
17 given to someone who is seeking it, the status of
18 intervention. And then it says "where reasonable
19 and relevant." And so it's providing a very
20 broad scope in authority for a presiding member
21 and, as I pointed out last time, I think that's
22 very appropriate to allow a committee that
23 discretion to decide how to best conduct a
24 proceeding, and that's the purpose of assigning a
25 subcommittee of the Commission to handle the case

1 and thus the Commission should only seek to
2 overrule that decision where they see an abuse of
3 discretion. And here, because the discretion is
4 so broad, there's certainly no basis at all for
5 the Commission to grant Petitioner's request and
6 overrule the Presiding Member.

7 COMMISSIONER DOUGLAS: Thank you, Mr.
8 McKinsey. Staff?

9 MS. WILLIS: Thank you. Kerry Willis,
10 Senior Staff Counsel representing the staff in
11 the Carlsbad proceeding. Staff does not
12 generally take a position or oppose positions to
13 intervene unless they're untimely. Consistent
14 with this practice, staff has taken no position
15 on Mr. Sarvey's appeal of his limited
16 intervention. Having said that, staff supports
17 the Committee's use of its discretion to regulate
18 the participation of Intervenors in power plant
19 siting proceedings as it believes appropriate,
20 and I would refer to §1207(C)(12) of (3)(c) and
21 §1712(B) of our Regulations. It's also staff's
22 opinion that Mr. Sarvey is not precluded from
23 making public comment on any relevant issues in
24 the proceeding under 1711.

25 COMMISSIONER DOUGLAS: So we have other

1 parties in this case. Are any of them on the
2 phone? Harriet is shaking her head no. Is there
3 any public comment on this item in the room or on
4 the phone? I don't have any more blue cards.
5 All right, there does not appear to be anymore
6 comment on this item.

7 So I wanted to make a couple of brief
8 comments and then see if Commissioner McAllister
9 would like to make any comments.

10 First of all, Mr. Sarvey, I want to say
11 that of course, as you note in your appeal, you
12 have intervened in cases that I've been on a
13 couple of times, particularly Mariposa. I do not
14 have any complaints about your conduct in our
15 proceedings, I think you raised -- and that is a
16 general statement, I mean, you know, everyone can
17 come up with little complaints, I don't have any
18 big complaints -- and I think you have added
19 value and I believe you will add value in the
20 Carlsbad proceeding. I also remember when we did
21 Mariposa, Ken Celli gave all of the parties,
22 particularly the Intervenors, some very specific
23 direction on how to do cross, you know, don't
24 fish, don't go far afield, you know, "say on page
25 X of your testimony you said this," you know, and

1 you did a very good job of following that. So I
2 do not think the Committee is asking you in this
3 proceeding to do anything that you don't know how
4 to do. What we are asking you to do is to very
5 clearly articulate the interests and the issues
6 that you want to pursue, and to articulate them
7 early. What we are not going to do is go through
8 the case with the word "any" or "all" or
9 whatever, we really want to hear what these
10 issues are and that will help us, and it will
11 help you, and it will help all of us because what
12 we want is the best possible record. And the
13 opportunity that you give us by intervening in a
14 case and bringing issues up early is you give
15 everybody notice that there might be issues and
16 you give staff an opportunity if they see
17 something that might need to be supplemented,
18 they can do it. If questions get triggered that
19 we ask people about on the record, then that can
20 improve our record. And that can be very
21 beneficial.

22 The other side of that is that hearing
23 time is precious and we've got a certain amount
24 of it, and we all know that there are a broad set
25 of issues in the case, and so we have to balance

1 them and we have to manage that. As you know and
2 have probably heard, data requests are not about
3 fishing, participating back and forth in the data
4 request part of the process, in my opinion,
5 really requires that there be a specific issue
6 that you think we're not getting enough
7 information about, or we're getting the wrong
8 information, we're asking the wrong questions.
9 And there's a motion to compel right now, and we
10 spent a good amount of time in our last status
11 conference on a motion to compel by another
12 Intervenor on data requests. That's a specific
13 interest, it's a specific issue. If you have
14 specific issues and interests, you are free to
15 articulate them to the Committee. It is, I
16 think, my observation, and I read this into your
17 appeal, that some of what you do is you look at
18 the staff assessment and you've got ideas for
19 what in your opinion constitutes a good and
20 thorough analysis, and you kind of hold up the
21 staff assessment to those ideas about what
22 constitutes a good and thorough analysis, and you
23 raise issues where you see problems. To do that,
24 you actually do need the staff assessment, and I
25 don't have any doubt of that. So the PSA is

1 coming out on the 15th, have at it. Read it
2 well. And we'll look forward to hearing what you
3 would like to say.

4 Broadly, I just want to say, you know, I
5 have a list of all the cases I've been on in my
6 time at the Commission, it's a long list, to go
7 back and count through it at this moment is not
8 something I'm going to do, but either presiding
9 or associate, there are a lot of them. Mariposa
10 was about half way through, give or take some,
11 the cases that I've done. And you know, while I
12 had done a lot of cases coming up to Mariposa, it
13 was really the first one I had that had a whole
14 lot of Intervenors and a whole lot of both public
15 concern and local concern. And after that one,
16 of course, there were a lot more including we
17 recently on the last agenda item talked a bit
18 about Palen and Hidden Hills, neither of which
19 came to a Commission vote, but which between them
20 added up to about 90 hours of hearing time and
21 had large numbers of Intervenors, and were
22 enriched by the Intervenors. But it's clear to
23 me that it is beneficial to everybody to manage
24 proceedings more carefully and more clearly, and
25 get this early articulation of issues.

1 I'll just say on the knowledge and
2 expertise issue, there were some issues where
3 people try to raise issues and they don't have
4 the knowledge or expertise to do it, and it
5 doesn't work. There are some ways that
6 committees can maybe help out if they see an
7 issue, but we can't really help out unless that
8 issue is raised and joined early, otherwise you
9 just see somebody flounder.

10 There are other areas where Intervenors
11 with no particular specialized education and
12 training that I'm aware of have done a fantastic
13 job of raising really important issues, and
14 hopefully she won't mind if I name her name, but
15 I'll just say Cindy MacDonald in the Hidden Hills
16 proceeding, is one of my best examples of that,
17 where just by virtue of closing reading these
18 sections and asking the hard questions, and doing
19 some of her own research, you know, this
20 professional craps dealer in Las Vegas, did a
21 fantastic job of greatly enriching our
22 proceedings. So I just want to be clear that
23 there is great value in Intervention and there is
24 great value in a very clear and well managed
25 proceeding and we are hoping to achieve both in

1 Carlsbad and other cases going forward. There's
2 been a lot of water under the bridge since
3 Mariposa, we did a lessons learned proceeding
4 after the Recovery Act cases, we had a couple
5 workshops, we're looking at siting Regs, we're
6 making some changes in how we do certain things
7 in our proceedings, small things like having all
8 of the conditions wrapped into an Appendix that
9 so that they're easy to find and easy to edit,
10 and so on. Larger things as well, like this.
11 But the commitment to raising issues early,
12 getting a full and complete record so that the
13 Committee can make a decision and using hearing
14 time well is all there. So with that, my
15 recommendation to my colleagues is to deny your
16 appeal, but I will say that I have high hopes for
17 you adding value and lots of it in the Carlsbad
18 proceeding.

19 COMMISSIONER MCALLISTER: So Commissioner
20 Douglas covered pretty much everything that I
21 would say, but I just wanted to reiterate that
22 the goal is to have it both ways, is to have a
23 solid proceeding with a good record, but be
24 efficient about the hearing time. We have just a
25 lot of steps to get through, a lot of process,

1 and a lot of people that need to be in the room
2 at the right place and the right time, including
3 yourself, so managing that effectively and
4 efficiently is something that does take a fairly
5 well-defined structured process. And certainly
6 the few cases that I've been on, I think I
7 certainly saw a lot of room for improvement in
8 some areas along these lines.

9 And then I just wanted to also highlight
10 something that Commissioner Douglas talked about,
11 which is inviting you to read in a very detailed
12 manner the PSA when it does come out, and that is
13 a place where you approached that with your -- if
14 we vote out this denial, your limited Intervenor
15 status to those certain areas, but obviously
16 anybody can comment and make public comment,
17 including yourself, about anything in there, and
18 if the comment has merit and there's true value
19 to it, then it will go on the record and it will
20 be considered. So I don't see this as blocking
21 you out, which is I think the way you interpret
22 it, but it's trying to maintain focus on the
23 questions we know are going to be important
24 questions without stiff arming new questions from
25 coming up. So I think this is a really good

1 housekeeping kind of effort here, sort of a
2 rethinking of our approach to make it better.

3 COMMISSIONER SCOTT: I wanted to add, Mr.
4 Sarvey, to thank you very much for coming here
5 today. I think that how the Commission handles
6 its siting cases is really of utmost importance,
7 and so certainly worthy of some Business Meeting
8 time, and so I'm glad that we did this. I think
9 that, you know, as the public member on the
10 Commission this is certainly of interest to me.
11 And I'd like to say, Commissioner Douglas and
12 McAllister, I appreciate your comments on this
13 because it really helps clarify and articulate
14 why this we're striking a thoughtful balance
15 between the valuable public input we get and the
16 efficient siting process, and I'd just like to
17 encourage us to continue being thoughtful and
18 thorough as we consider other requests like this
19 that come before us.

20 COMMISSIONER DOUGLAS: All right. With
21 that, Mr. Sarvey, we'll give you one more shot.
22 Anything else to say? And then call the
23 question.

24 MR. SARVEY: No, I respect your, you
25 know, trying to manage your proceeding the way

1 you see fit. I'm an experienced Intervenor, but
2 if you get a new Intervenor in here and he's
3 immediately told that, you know, hey, you don't
4 have any expertise, you don't live here, you're
5 discouraged from public participation, there's no
6 question, and I don't want to argue about that.
7 But my whole thing is public participation has
8 been so precious here at the Commission and I
9 don't see any reason how it's been a failure, I
10 don't see any reason to micromanage the
11 proceeding, we've done that for the pre-hearing
12 conference for years, it's always gone smooth,
13 there hasn't been any glitches in any proceedings
14 I've been in, and like I said, the Hearing
15 Officers are great at controlling the proceeding
16 and I don't think you need this extra
17 micromanagement of it, but it's your proceeding,
18 I respect what you do.

19 COMMISSIONER DOUGLAS: Thank you, Mr.
20 Sarvey. Do we have a motion on this item?

21 COMMISSIONER MCALLISTER: I will move
22 Item 4.

23 COMMISSIONER SCOTT: Second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) Item 4 is approved unanimously.

1 COMMISSIONER DOUGLAS: Let's go on to
2 Item 5. Black Rock 1, 2, and 3 Geothermal Power
3 Plant Project, 02-AFC-2C. Possible approval of a
4 Petition to Amend the Deadline for Commencement
5 of Construction of Black Rock 1, 2, and 3
6 Geothermal Power Project from December 18, 2014
7 to December 18, 2019. Mr. Rundquist.

8 MR. RUNDQUIST: Good morning,
9 Commissioners. My name is Dale Rundquist and I'm
10 the Compliance Project Manager for the Black Rock
11 1, 2 and 3 Geothermal Power Project, or "Black
12 Rock 1, 2 and 3." With me today is staff
13 counsel, Lisa DeCarlo, and representing CE
14 Obsidian LLC, or "CE Obsidian" and the owner of
15 Black Rock 1, 2 and 3, is Randy Keller.

16 On June 11, 2014, CE Obsidian filed a
17 petition with the California Energy Commission,
18 or Energy Commission, requesting a five-year
19 extension to the deadline to commence
20 construction for Black Rock 1, 2, and 3. The
21 original 185-megawatt Salton Sea Unit 6 project
22 was certified by the Energy Commission in its
23 decision on December 17, 2003. The project
24 decision was amended in 2005, allowing the
25 Applicant to increase the project's generating

1 capacity to 215 megawatts.

2 In 2009. CE Obsidian changed their name
3 from Salton Sea Unit 6 to Black Rock 1, 2 and 3
4 Geothermal Power Project. And in 2011 the
5 Commission decision was amended to allow
6 installation of three separate generating
7 facilities, each with 53 megawatt net generating
8 capacity, which will produce a combined 159
9 megawatt net of renewable geothermal power.

10 The project is expected to begin
11 construction as soon as the Power Purchase
12 Agreement is approved by the California Public
13 Utilities Commission. The facility will be
14 located near the Salton Sea in Imperial County,
15 California.

16 The deadline to commence construction set
17 by regulation is otherwise five years from the
18 effective date of the Energy Commission's final
19 decision on the Application for Certification.
20 An Applicant before the deadline may request, and
21 the Commission may order, an extension for good
22 cause, California Code of Regulations Title 20,
23 Section 1720.3.

24 The purpose of the Energy Commission
25 review process is to determine whether the

1 project owner has shown good cause, justifying
2 the extension of the deadline to commence
3 construction. Black Rock 1, 2 and 3 has
4 petitioned for, and Commission Orders have been
5 approved, to extend the deadline for construction
6 twice in the past, once in 2008 and again in
7 2011. Both times the request was for three-year
8 extensions. This request is for a five-year
9 extension from December 18, 2014 to December 18,
10 2019. The request is based on information not
11 originally available to the parties during Energy
12 Commission certification, and the proposed
13 extension is justified with good cause in that
14 the primary barriers to development of the
15 project have been transmission limitations
16 between the Imperial Irrigation District and the
17 California Independent System Operator, which has
18 limited the ability of the project to compete for
19 a Power Purchase Agreement, or PPA, with
20 California utilities.

21 Energy Commission staff reviewed the
22 petition and assessed the impacts of this
23 proposal on environmental quality and on public
24 health and safety. Based on this review of the
25 existing environmental setting, the environmental

1 analyses, and the project as currently proposed,
2 staff concludes that there are no substantial
3 changes to the project or to the circumstances
4 under which the project is being undertaken, and
5 no new information that was not previously known,
6 justifying a supplemental or subsequent EIR
7 equivalent analysis. Therefore, staff has no
8 objections to extending the deadline.

9 The Notice of Receipt was eFiled and
10 mailed on June 26, 2014. The staff analysis was
11 eFiled and mailed on November 5, 2014 for a 30-
12 day public comment period. No public comments
13 were received.

14 Certain issues will need to be addressed
15 prior to the start of construction in the areas
16 of Biological Resources and Cultural Resources.
17 Staff recommends a Condition of Certification
18 Extension 1 to ensure that these issues are
19 addressed at least 180 days prior to the start of
20 construction.

21 For Biological Resources, Biological
22 Resources staff found that if new species are
23 listed as special status by a state or federal
24 agency, or additional information on the range
25 and distribution of currently listed species

1 becomes available prior to initiation of
2 construction activities, the project owner would
3 need to conduct the required studies and surveys
4 according to the most current guidelines. The
5 new data would need to be reflected in new and/or
6 modified Conditions of Certification. In
7 addition, prior to commencement of construction,
8 additional analysis would be required to address
9 changed circumstances for these Conditions of
10 Certification: Bio 8, the Stream Bed Alteration
11 Agreement, Bio 13, Construction Mitigation
12 Management to Avoid Harassment or Harm, Bio 14,
13 Preconstruction Monitoring to Avoid Harassment or
14 Harm, and Bio 25, Impacts to Burrowing Owls.

15 For Cultural Resources, Cultural
16 Resources staff recommends that the project owner
17 be required to take the following actions and
18 provide updated information prior to the start of
19 construction: 1) conduct an updated literature
20 search in accordance with Section G(2)(b) of
21 Appendix B of the Siting Regulations to ascertain
22 whether new cultural resources have been found in
23 the project area of analysis subsequent to the
24 last literature search in the Field Surveys of
25 2009 and 2010, and whether there have been

1 changes in the status of the historical
2 significance of other known cultural resources;
3 2) request an updated Sacred Lands file search
4 and a Native American contact list for the Native
5 American Heritage Commission, and if new sacred
6 lands are identified, notify the Native Americans
7 on the Native American Heritage Commission list
8 about the changes in the project, in accordance
9 with Section G(2)(d) of Appendix B of the Siting
10 Regulations.

11 The extension proposed in the petition
12 would allow the project owner additional time to
13 resolve electrical transmission issues and to
14 obtain a PPA, and be beneficial to the public in
15 that extra time will enable the project to be
16 built providing reliable, renewable geothermal
17 energy for the future.

18 The Proposed Condition of Certification
19 Extension 1 will ensure that staff has the
20 information necessary prior to start of
21 construction to complete the extent to which
22 changed circumstances or laws, ordinances,
23 regulations or standards are addressed, with the
24 addition of Extension 1, Condition of
25 Certification, staff recommends approval of the

1 five-year extension. Thank you.

2 COMMISSIONER DOUGLAS: Thank you, Mr.
3 Rundquist. Let's hear from Black Rock.

4 MR. KELLER: Thank you. Again, my name
5 is Randy Keller, I'm Director of Transmission
6 with CalEnergy. CalEnergy appreciates staff's
7 hard work and due diligence on this request. We
8 agree with their assessment and recommendation on
9 this license extension. There hasn't been a new
10 geothermal plant built that serves Californians
11 in over 20 years. With the Board's approval,
12 CalEnergy, a Berkshire Hathaway energy affiliate,
13 intends to change that. I'd be happy to take any
14 questions.

15 COMMISSIONER DOUGLAS: Well, thank you
16 for being here. You know, I reviewed this and I
17 certainly am appreciative of CalEnergy's efforts
18 to bring forward a new geothermal project in
19 California that will serve Californians and so I
20 wish you all the best wishes and luck with that.
21 Can you give us some sense of where you are in
22 terms of being able to bring this project forward
23 and assuming that we were to grant this
24 extension, what steps remain in front of you and
25 what issues CalEnergy might face?

1 MR. KELLER: We think -- we deem this as
2 a shovel-ready project. The main thing is the
3 PPA. The transmission piece will be solved very
4 soon. The Imperial Irrigation District is under
5 construction now, or Reconductoring a Path 42
6 that will provide enough capacity for this
7 project. So that should be completed January
8 next year. So the transmission piece will be
9 fixed.

10 We were given the task early -- of the 11
11 geothermal projects in Imperial Valley or the
12 Salton Sea resource, we own ten of them. Those
13 contracts have been with one of the IOUs for well
14 over 20 years and are expiring very soon. The
15 first one comes off line in 2016, so Senior
16 Management gave us the task of re-contracting
17 those facilities before we build a new one. And
18 we've been very successful at re-contracting long
19 term for another 22 years with the POUs, the
20 majority of those contracts. We have just a few
21 contracts remaining. And so with that good news,
22 we expect to be ready to pull the trigger and if
23 we're successful in obtaining the PPA, then we're
24 ready to go.

25 COMMISSIONER DOUGLAS: That's great,

1 thank you. Go ahead.

2 COMMISSIONER HOCHSCHILD: Yeah, so I can
3 just speak to this. I'm supportive of this item
4 and of the flexibility I think the Energy
5 Commission can show to support geothermal. It
6 has been, I think, a tough chapter for the
7 geothermal industry in California. I spent quite
8 a lot of time at a geothermal roundtable earlier
9 this week and, you know, solar and wind have been
10 winning a lot more of the contracts and getting a
11 lot more attention, but it's worth noting that we
12 are really the Saudi Arabia of geothermal
13 resources here in California, and that energy
14 diversity among renewables is a good thing for
15 the grid. They provide different benefits and
16 particularly I would note with the loss of SONGS
17 and who knows what the future holds eventually
18 for Diablo? The geothermal resource is a 24/7
19 resource. So I'm personally very supportive of
20 us being able to show some flexibility here to
21 support them.

22 COMMISSIONER MCALLISTER: Yeah, I'm
23 definitely supportive, as well. I wanted -- so
24 you said the PPA is the issue, so it sounds like
25 you're going to get your transmission house in

1 order and have a clearer path. You know,
2 presumably you're in discussions with a buyer for
3 the eventual power that you will produce, so is
4 that a hold up, or maybe you could characterize
5 sort of where those discussions are more or less?

6 MR. KELLER: There are several requests
7 for offers coming up early in the new year for
8 several POU's and we intend to bid aggressively
9 into those, and we will continue -- if we are
10 unsuccessful with those, we will continue to
11 aggressively obtain a PPA. Our senior management
12 wants us to build this thing. The Salton Sea
13 resource is the most prolific in the world when
14 you take advantage of it.

15 COMMISSIONER MCALLISTER: Yeah, agreed,
16 agreed, there's a huge resource.

17 COMMISSIONER DOUGLAS: All right, do we
18 have a motion on this item?

19 COMMISSIONER HOCHSCHILD: I move the
20 item.

21 COMMISSIONER MCALLISTER: I'll second.

22 COMMISSIONER DOUGLAS: All in favor?

23 (Ayes.) You are approved unanimously.

24 Thank you and good luck.

25 COMMISSIONER DOUGLAS: Let's go on to

1 Item 6. Avenal Energy Center, 08-AFC-1C, possible
2 approval of a petition to amend the Energy
3 Commission decision to allow the project to
4 extend the deadline to commence construction by
5 nine months. We've got Remy Obad. Okay, why
6 don't we start with staff? Or, I'm sorry, let's
7 start with the Applicant. Go ahead.

8 MS. LUCKHARDT: Well, Jane Luckhardt on
9 behalf of Avenal today. We are here requesting
10 an extension to the original commencement of
11 construction deadline to allow the project to
12 reassess its next step forward. This project has
13 been tied up in litigation in Federal Court
14 regarding the PSD Permit for years; in fact,
15 there were two Ninth Circuit Appeals running at
16 one time. The Ninth Circuit has come down and
17 decided to send the PSD Permit back to EPA for
18 revisions. And so at this time the project is
19 looking to reassess whether it wants to continue
20 under the current configuration and go through
21 yet another PSD process with EPA, shift it to the
22 Air District, or reconfigure the project. And at
23 this time, that decision has yet to be made and
24 so we're asking for a little additional time in
25 order to make a thoughtful decision about the

1 project. This is not a situation where the
2 project to Applicant has not been pursuing the
3 project actively, litigation is not inexpensive,
4 it's a very expensive ongoing process, and the
5 project has also had to pay for transmission
6 upgrades and, in fact, half the interconnect has
7 already been built as it was required for other
8 projects, and the commitments were already made,
9 so in order to hold the interconnect they had to
10 pay for the transmission upgrades.

11 So I just want to assure the Commission
12 that the project applicant has not sat idly
13 during this time, but has been actively pursuing
14 these different avenues. And now that the
15 Federal Court litigation has completed, the
16 Applicant needs to reassess. And with me here
17 today is Jim Rexroad, an officer with Avenal, and
18 so if there are further specific questions I can
19 have Jim answer those.

20 COMMISSIONER DOUGLAS: All right, thank
21 you. Camille.

22 MS. REMY OBAD: Hello, Commissioners. My
23 name is Camille Remy Obad, and I am the
24 Compliance Project Manager for Avenal. I'm here
25 to present Avenal Power Company, LLC's petition

1 to extend their deadline to commence construction
2 for nine months from December 16, 2014 to
3 September 16, 2015. Jane Luckhardt has sort of
4 gone through and explained where the delays have
5 happened, so I'd like to just discuss the public
6 process that staff has gone through in their
7 analysis.

8 The petition to extend the construction
9 deadline was filed on October 22nd of this year.
10 Staff's Notice of Receipt was filed on October
11 31st, 2014. Staff's analysis was filed and
12 mailed on November 5, 2014. A public comment
13 extension notice was eFiled and mailed in English
14 and in Spanish on November 7, 2014. And a
15 Spanish translation of the Staff Analysis was
16 eFiled on November 13, 2014.

17 We have received one public comment, it's
18 actually from the San Joaquin Valley Air
19 Pollution Control District, it's a clarifying
20 comment in regards to some of our bullet items
21 for suggested permit and LORS, or Laws,
22 Ordinances, Regulations and Standards, that need
23 to be reviewed before Avenal can commence any
24 construction. So I can review those, as well.

25 Staff has independently analyzed this

1 petition, and in order to ensure that Avenal's
2 project setting and its analysis match when it
3 proceeds to construction, staff is proposing a
4 new Condition of Certification Extension 1.
5 Extension 1 requires 90 days prior to
6 construction commencement that the project owner
7 either confirm that the project remains unchanged
8 or submit to the Compliance Project Manager an
9 updated Project Description and Environmental
10 Setting review including verifications of the
11 project's compliance with all laws, ordinances,
12 regulations and standards.

13 As previously mentioned, staff has
14 independently analyzed this petition and it is
15 our opinion that by requiring the addition of the
16 new Condition of Certification Extension 1, that
17 any potential impacts of the proposed changes are
18 reduced to less than significant levels and that
19 LORS compliance is ensured. The Petition meets
20 all criteria for Section 1769A concerning post-
21 certification project modifications, and the
22 modification will not change the findings in the
23 Energy Commission's final decision pursuant to
24 Section 1755.

25 The proposed extension is beneficial to

1 the public, allowing time to reevaluate the
2 project to determine the best suited
3 configuration, operational profile, and
4 regulatory path necessary to ensure LORS
5 compliance and facilitate the timely completion
6 of the project.

7 The change is based on information not
8 originally available to the parties during the
9 Energy Commission certification and the proposed
10 extension is justified with good cause, as the
11 Project Owner has recently resolved their
12 litigation and must reevaluate the project's
13 configuration, operational profile and regulatory
14 requirements.

15 In summary, based on staff's independent
16 analysis and conclusions, staff recommends that
17 the Energy Commission approve the project
18 modification for a nine-month construction
19 extension deadline and the associated revisions
20 to the Avenal Condition of Certification to
21 include Extension 1.

22 COMMISSIONER DOUGLAS: Thank you very
23 much. And I do just have one question for the
24 project owner. So with a nine-month extension to
25 essentially think through your options about what

1 to do or whether or not to pursue the plant
2 presumably, is it -- I guess my assumption is
3 that if you were to want to pursue the plant, you
4 would be coming in for another amendment, or
5 another request for an extension. Is that
6 generally right?

7 MR. REXROAD: This is Jim Rexroad with
8 Avenal Power Center. We may not have to come in
9 with an additional amendment. The Ninth Circuit
10 ruling created a sort of odd set of circumstances
11 in that we are now eligible to either participate
12 at EPA for a PSD Permit, or at San Joaquin Valley
13 Air Pollution Control District for a PSD Permit,
14 or execute on a Minor Source Permit that this
15 Commission, as I recall, previously granted us
16 the ability to do.

17 Figuring out which one of those is the
18 best path forward and most efficient for the
19 project, at least two of those would result in
20 the same configuration we have today and still
21 meet all of the regulations and would allow us to
22 move forward. The third one which would require
23 us to go back to San Joaquin for a new PSD Permit
24 would potentially require some amendment to
25 regulations and some of the particular conditions

1 that the facility initially designed for, in
2 particular with regards to CO₂ and greenhouse
3 gasses. However, it's not necessary to actually
4 materially modify the design of the facility, and
5 we're not requesting any changes to the
6 interconnection agreement which does ultimately
7 limit what we can do out there, so we may not
8 have to come back to the Commission.

9 COMMISSIONER SCOTT: I guess a follow-up
10 to that would be then how do you plan to keep the
11 Commission apprised, I guess, of the project
12 status?

13 MR. REXROAD: We have previously been
14 providing quarterly update reports in accordance
15 with our certification. Those were stayed
16 previously with the granting of this extension
17 and actually material progress, we would
18 reinitiate that process upon request from the
19 staff.

20 COMMISSIONER DOUGLAS: Do we have a motion
21 on this item?

22 COMMISSIONER SCOTT: I'll move Item 6.

23 COMMISSIONER HOCHSCHILD: Second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) Item 6 is approved. Thank you.

1 COMMISSIONER DOUGLAS: All right, we are
2 now moving into some energy efficiency items. On
3 Item 7, EnergyPro Version 6.2, Proposed Order to
4 Approve an Alternative Proposal in EnergyPro
5 Version 6.2 for Nonresidential Buildings by
6 EnergySoft, as 2013 Nonresidential Compliance
7 Software. Todd Ferris, go ahead.

8 MR. FERRIS: Good morning, Commissioners.
9 I am Todd Ferris, Supervisor of the Standards
10 Tools Development Unit of the Building Standards
11 Office. I'm here today to ask the Energy
12 Commission to conditionally approve EnergySoft's
13 EnergyPro Version 6.2 Compliance Software for
14 three additional months.

15 I'm here today to ask the Energy
16 Commission to conditionally approve EnergySoft's
17 EnergyPro Version 6.2 Compliance Software for
18 three additional months until 5:00 p.m. on March
19 31, 2015.

20 Specifically, this approval continues to
21 offer alternative protocol software that meets
22 specific Time Dependent Valuation or TDV
23 requirements and to offer a method for verifying
24 compliance with nonresidential provisions of the
25 2013 Building Energy Efficiency Standards.

1 Accordingly, we seek your approval of the
2 Proposed Order you have before you on this item.

3 EnergyPro is the most widely used
4 compliance software today and it is not fully
5 approved. However, the Energy Commission
6 proposes allowing it to use as an alternative for
7 only three more months. Based on conversations
8 with the software developer, it is the time
9 needed to meet the conditions for full commission
10 approval. At the end of the three-month period,
11 EnergyPro Version 6.2 will no longer be
12 conditionally approved as a compliance software
13 tool for the 2013 Building Energy Efficiency
14 Standards.

15 As a reminder, the Energy Commission has
16 two fully approved 2013 Computer Compliance
17 Programs authorized for use in the Nonresidential
18 Market, CBECC-Com Version 3A by the California
19 Energy Commission, and IES Virtual Environment
20 2014 Future Pack One, Version 2014, by Integrated
21 Environmental Solutions.

22 In closing, I seek your approval of the
23 alternative protocol and your authorization to
24 conditionally approve EnergySoft EnergyPro
25 Version 6.2 compliance software until 5:00 p.m.

1 on March 2015. I'm available to answer any
2 questions you might have. Thank you -- March 31,
3 2015.

4 COMMISSIONER MCALLISTER: Got it.

5 COMMISSIONER DOUGLAS: All right, thank
6 you very much. Let's see here, we have one
7 public commenter. Do we have anyone in the room?
8 Oh, two, the Public Advisor is telling me. Oh,
9 okay, Mr. Raymer. Go ahead.

10 MR. RAYMER: Thank you, Commissioners.
11 I'm Bob Raymer with California Building Industry
12 Association. I've also been asked to say "me
13 too," for the California Business Properties
14 Association. We support the approval today of
15 the alternate protocol here. We understand
16 there's been some serious challenges getting this
17 set of Regulations implemented. There was a huge
18 lift in going to CBECC, and we understand
19 whenever you do a major endeavor like that
20 there's going to be some problems discovered and
21 so we'll continue to work with you.

22 And at this time I'd also like to say a
23 big thank you to Commissioner McAllister and to
24 the Energy Commission staff for assisting us with
25 our Energy Forum, this is the second of two

1 forums that we have conducted in 2014, we had
2 close to 100 participants, we had 24
3 presentations, representatives from the building
4 industry, architects, energy consultants, product
5 manufacturers from all over the country, all
6 focused on finding ways to comply in
7 understanding the 2017 Regs that we're working on
8 right now. This is sort of an endeavor that
9 we've never tried before, both of these Energy
10 Forums have been great success, but they go on
11 for hours and hours, this last one was eight
12 hours, and so with that I'd like to thank the
13 Commissioner and the staff for helping us with
14 that. Thank you.

15 COMMISSIONER DOUGLAS: Well, that's
16 great. Thanks for your comments. Go ahead,
17 Alana.

18 MS. MATHEWS: I have a letter on behalf of
19 Gary Farber and Farber Energy Design with a
20 request to read this comment today, he could not
21 be here at the Business Meeting.

22 "Commissioners: I am writing to urge you
23 to support extending approval of EnergyPro's
24 Nonresidential Performance Compliance Module for
25 an additional three months. It is my

1 understanding that there remain a host of
2 technical issues with the CBECC-Com modeling
3 engine that are in the process of being
4 corrected, but that will take additional months
5 beyond the current 12-31 expiration date for the
6 current EnergyPro in our performance module. As
7 a nonresidential certified energy analyst
8 professionally involved with California's Energy
9 Codes since its inception, I continue to support
10 the custom budget type of performance energy
11 compliance methodology adopted in the early
12 1990's, and I know that the type of modeling
13 engine used in the EnergyPlus is not nearly as
14 important as getting the software to correctly
15 model the standard energy budget and the proposed
16 energy budget, and properly document what is
17 modeled on the compliance forms, in other words,
18 being consistent with the NR ACM Rules. Please
19 approve the proposed EnergyPro extension in order
20 to provide needed time to get the performance
21 compliance program working in a manner that is
22 consistent with the Commission's energy goals.
23 Sincerely...."

24 COMMISSIONER DOUGLAS: Thank you, Ms.
25 Mathews. And for the record, that was Alana

1 Mathews, the Public Advisor, reading a public
2 comment into the record.

3 Is there anybody else in the room who
4 would like to make a public comment on Item 7?
5 What about on the phone? I have Michael Gabel.
6 Are you on the phone?

7 MR. GABEL: Yeah. Can you hear me all
8 right?

9 COMMISSIONER DOUGLAS: Yeah, we sure can.
10 Go ahead.

11 MR. GABEL: Okay, thank you Commissioner.
12 This is Mike Gabel from Gabel Associates,
13 representing CABEC this morning. Thank you for
14 having me speak. I'd like to voice CABEC's
15 strong support for this agenda item. We see this
16 action as a crucial step in the Commission's good
17 faith and ongoing efforts to ensure an
18 appropriate level of usability, flexibility and
19 productivity in the CBECC-Com API before it
20 becomes mandatory as a compliance software
21 manager. The full CABEC letter to the Commission
22 on this item has been filed as a public comment.
23 On a personal note, I'd like to express
24 my deep appreciation to Commissioner McAllister
25 for his initiative, encouraging staff to meet

1 with the CABEC Board of Directors on November
2 7th. That meeting has opened up a new
3 constructive line of communication between staff
4 and energy analysts in our mutual quest to help
5 the building industry meet current standards.
6 Many thanks to staff for their patience and
7 willingness to listen carefully and respond
8 positively to challenging energy modeling and
9 implementation questions. I especially want to
10 thank also the Chief Deputy, Drew Bohan for his
11 persistent efforts over the past year in
12 navigating the best path forward implementing the
13 Code, and thanks especially to Todd Ferris for
14 his objectivity and fresh perspective considering
15 technical comments, as well as his willingness to
16 carefully review and work through complex CBECC
17 compliance software issues. Thank you for
18 letting me speak again this morning.

19 COMMISSIONER DOUGLAS: Thank you, Mr.
20 Gabel. Are there any other commenters on the
21 phone for Item 7? Harriet is shaking her head
22 no. All right, Commissioners?

23 COMMISSIONER MCALLISTER: So I have
24 somewhat -- well, extensive probably would fit --
25 comments. So I want to thank everybody for your

1 comments so far and we may have a little bit more
2 discussion here, but certainly, Mr. Raymer,
3 thanks very much, we know that on the Residential
4 side particularly, but on the business
5 properties, you know, your CBIA is more on the
6 residential side, but Business Properties
7 Association, this item is extremely relevant for
8 them, so I appreciate your proxy.

9 And Mike Gabel, as well, you know, we've
10 had a number of discussions with you both and
11 many other stakeholders over the last year plus,
12 really, about this transition that we're going
13 through. And I want to certainly thank Todd and
14 the staff for their doggedness on this, too, you
15 guys have really put in yeoman's work on getting
16 us into and through this transition, many staff
17 on the Commission side.

18 So having said that, I'm really not very
19 happy to be in this particular place that we're
20 at today which, you know, I have been trying, and
21 all of us in good faith, all of us have been
22 working together trying to get us through this
23 transition, and we've really made -- I want to
24 just highlight again, and I've done this a couple
25 of our recent meetings, but I want to highlight

1 that we did really two things in the 2013
2 Standard Update: we tightened the Standard, you
3 know, in some ways on the residential side and
4 other ways on the commercial side, kind of two
5 different beings, but we also made a decision a
6 number of years ago to move into a new modeling
7 regime for compliance. And the reasons that we
8 did that, I think, are rock solid and they remain
9 so. So, really, there are kind of two things
10 going on that are proving somewhat difficult for
11 I think both the Commission and the marketplace,
12 and this is where we're really partnering on
13 getting through this period. But one is just the
14 basic education about the Standards changes and
15 what they are, and helping the marketplace to
16 adjust and getting educated about the update
17 itself, but then also learning new tools and
18 approaching the compliance process really from
19 kind of a nascent place in terms of the tools
20 that we have now to comply under the new regime.

21 So I have no doubt that the standardized
22 tools that we're now using are the right
23 approach, so everybody uses the same engine and
24 on the commercial side it's EnergyPlus, which is
25 a tool that DOE has developed it over the last

1 decade or so, it's a robust tool.

2 There remain some disagreements about
3 what the problem actually is, or what the
4 problems actually are. I think some folks out
5 there in the marketplace, folks who do this for a
6 living, are manifesting that they think there are
7 issues with the engine itself. And I have my
8 doubts about that, but I think part of this item
9 is just an acknowledgement that staff and
10 industry, practitioners out there, really have to
11 make sure that there's enough experience out
12 there in the marketplace with the new regime that
13 folks are comfortable enough so that they can
14 actually use it in the real world and do their
15 jobs for their clients. And I think that's sort
16 of top level, you know, there's a bunch of merits
17 in there, I think there are some disagreements
18 about sort of what the problems are and what may
19 need to be fixed or not, but there's I think just
20 some uncertainty around that, which is why I am
21 going to support this item -- only for three
22 months, you know, we already extended once for
23 six months, we're doing it again if the vote is
24 in the positive, we'll do it again for three
25 months. But I've been trying my best to usher

1 everyone forward firmly and make clear that this
2 is not an indefinite situation, that we are going
3 to move on to the new regime, everybody needs to
4 learn the new tools, CBECC-Com itself and there
5 is one approved vendor and I would just remind
6 everybody that IES is an approved vendor, so
7 there is a software that is available for folks
8 to use for their compliance.

9 So I think it's been long enough since
10 the early days of EnergyPro, the 2.0-based tool
11 that is the most commonly used one today, that we
12 forget that actually we were in kind of a similar
13 situation a decade or more ago where we had a
14 tool that had been developed by the Federal
15 Government, or modeling DOE 2 which an algorithm,
16 a tool that was fairly difficult to use, you had
17 to be a specialist, you know, I watched people
18 when I worked at LBL modeling on DOE 2 and it was
19 a pretty arcane business. You needed to know how
20 to program, write lines of Code. So EnergyPro
21 came in and put a user interface over that and
22 made it workable kind of for people much more
23 easily; that took time. So we're in a situation
24 where, in that case, we expected the private
25 sector to step up and provide many of the bells

1 and whistles that the marketplace needed to make
2 its life easier, and that's what happened because
3 there was a demand for those services.

4 Well, now we're in situation where we
5 need more powerful tools, we need better tools
6 because we're approaching more vigorous building
7 standards and we're sort of in a similar
8 situation where we are partnering with the
9 marketplace to bring the modular user interface,
10 the particular tools to enable the designers and
11 the compliance folks to achieve their goals and
12 for the clients to get buildings through
13 compliance.

14 So it's not really the Commission's job
15 to make like a gold plated, ready for primetime
16 software tool for everybody to just use, it's not
17 what we've ever, I think, said we were going to
18 do, and I think we've actually said that we were
19 going to depend on third parties to build these
20 tools. And the third parties have come up and
21 said that they would, and one in particular has
22 and that's IES, they are the approved software at
23 this moment. You know, EnergySoft for whatever
24 reason hasn't been able to go at that aggressive
25 pace. And so I don't know the reasons for that,

1 but I feel like, you know, EnergySoft has said
2 they were going to deliver and they haven't
3 delivered on the pace, and so I have to just
4 acknowledge that. So I want to thank actually
5 IES for sort of saying what they're going to do,
6 investing, they invested a lot of resources into
7 it, they worked with staff, their software folks,
8 their coders, their modelers, they really bent
9 over backwards to get to approved software by
10 July of this year. And so we're still in this
11 transition, but I want to just acknowledge them
12 for their investment and their solid effort
13 there.

14 So I'll just kind of wrap up by saying,
15 you know, clients that really feel that EnergyPro
16 is the best tool for them need to sort of demand
17 EnergyPro to get on board with CBECC-Com and to
18 develop the software that works with CBECC-Com so
19 they can continue to use it with the same look
20 and feel, the same kind of approach, and if that
21 gives them comfort, then that's great and we hope
22 that that vendor steps up and gets that done for
23 its customer base. But what I'm saying here is
24 that there's a marketplace out there and we've
25 got the approved software, and we certainly need

1 to work with all the actors to make sure that
2 enough experience, enough buildings go through it
3 so if any red flags do come up, if any bugs
4 appear, that we can fix those expeditiously.
5 That's an ongoing process regardless of the stage
6 that we're in with any software. But my overall
7 exhortation is for the members of CABEC and
8 others who are in this space go ahead and figure
9 out what they need to do to adapt to the new
10 tools, learn them, apply them, bring the feedback
11 back to us, work with staff as iteratively and as
12 flexibly and completely as possible, and I think
13 we'll all be better off in short order.

14 So I think with that, I'll see if any
15 other Commissioners have a comment.

16 COMMISSIONER DOUGLAS: Just a comment,
17 Commissioner McAllister. I just want to thank
18 you for staying on top of this issue, it's a
19 thankless task and I know that having been a
20 little closer to it than I ever even necessarily
21 wanted to volunteer to be, but I'm glad you're
22 staying on top of this, it is important. And I
23 support the three-month extension although, like
24 you, I'm strongly of the view that we really need
25 to get on with this and not keep extending it.

1 So I'm highly hopeful that this is the last one.

2 Other comments or a motion on this item?

3 COMMISSIONER MCALLISTER: So I'll move

4 Item 7.

5 COMMISSIONER SCOTT: Second.

6 COMMISSIONER DOUGLAS: All in favor?

7 (Ayes.) Item 7 is approved unanimously.

8 Thank you.

9 COMMISSIONER DOUGLAS: I just want to do
10 a quick status check in and then we'll go on to
11 Item 8. It's about 20 minutes to 12. I
12 definitely want to get through Item 8 before
13 breaking for lunch. I know that in Item 13,
14 we've got a couple people who traveled to come
15 here. Can you raise your hand if you came to
16 make comment on Item 13 and you've maybe got
17 planes to catch or places to go after this? I'm
18 going to make an effort to see how close we can
19 get to taking up Item 13; if we don't manage to
20 get there before lunch there is a café upstairs,
21 it's on the second floor, it just reopened under
22 new ownership, it's pretty good, so I'd recommend
23 that folks maybe just go up there so that we
24 don't have to take a very long lunch break, we'll
25 be looking at about a half hour as opposed to an

1 hour when we do break for lunch. So we will see
2 how far we can go.

3 And let's start with Item 8 now,
4 California Clean Energy Jobs Act, 2015
5 Implementation Guidelines. Let's see, Ms.
6 Shirakh, go ahead.

7 MS. SHIRAKH: Good morning. I'm
8 Elizabeth Shirakh from the Local Assistance and
9 Financing Office of the Efficiency Division, and
10 I'm the Program Manager of the Prop. 39 Program.

11 For your consideration and possible
12 adoption, I will present an overview of the
13 proposed Proposition 39 California Clean Energy
14 Jobs Act 2015 Program Implementation Guidelines,
15 referred to as "the Guidelines" from this point
16 forward in my presentation.

17 The Guidelines define how the State of
18 California implements the Proposition 39 Program
19 with the majority of the Guidelines outlining the
20 Local Educational Agency Award Program that
21 provides Energy Efficiency Project and Clean
22 Energy Installation Grant Funding to Local
23 Educational Agencies, also known as LEAs. LEAs
24 are County Office of Education, School Districts,
25 Charter Schools, and State Special Schools.

1 First I'd like to provide some background
2 information on the Prop. 39 program. On November
3 6, 2012, in the Statewide General Election,
4 California Voters passed Proposition 39, the
5 California Clean Energy Jobs Act. The statute
6 made changes to corporate income tax Code and
7 allocates up to \$550 million in projected revenue
8 to the General Fund and the Job Creation Fund for
9 five fiscal years beginning in fiscal year 2013-
10 2014.

11 In June 2013, Senate Bill 73 became law
12 and codified the Energy Commission as the lead
13 agency for the K-12 school portion of the Clean
14 Energy Job Act Program.

15 In July 2013, the Energy Commission began
16 a comprehensive public process to gain input for
17 the Draft Guidelines. In just six short months,
18 on December 19, 2013, the Energy Commission
19 adopted the Proposition 39, California Clean
20 Energy Jobs Act 2013 Program Implementation
21 Guidelines.

22 Continuing on this expedited program
23 implementation path, in January 2014, the Energy
24 Commission launched the Prop. 39 Program and
25 released the Energy Expenditure Plan Application

1 and Handbook, established an electronic
2 submission process, trained Energy Commission
3 staff, provided webinars and training seminars
4 reaching over 800 LEAs, and established a
5 Proposition 39 Hotline.

6 As a final program update, I'm pleased to
7 report on funding milestones. To date, the
8 Energy Commission staff have approved 202 Energy
9 Expenditure Plans, which is 79 percent of the
10 plans submitted, totaling \$132.9 million. In
11 addition LEAs have also requested over \$150
12 million for energy planning activities;
13 therefore, to date, over \$282 million has been
14 awarded to LEAs for approved energy expenditure
15 plans and energy planning funding activities.

16 This brings us to the Proposition 39
17 Program Proposed Guideline Revisions I present
18 today. The process to produce this document was
19 an iterative public process. For the past 11
20 months, since launching the program in January,
21 staff have worked with LEAs hearing their
22 concerns and listening to suggestions. Taking
23 that information, we proposed revisions to the
24 Guidelines and on September 26th, posted the
25 Draft Guidelines for public review and comment.

1 In October 2014, the Energy Commission
2 held two public meetings and one webinar on the
3 Draft Guidelines to receive public comments and
4 answer questions. The Energy Commission also
5 opened a Docket and received over 30 submittals.
6 In November, staff organized the comments into
7 subject areas, reviewed the issues, and made
8 recommendations for Guideline changes. Staff
9 continued to follow-up with commenters and met
10 when clarification was required.

11 On November 24th, the Energy Commission
12 posted a Notice of the December 10th Business
13 Meeting and a second Revised Draft Guideline,
14 including a summary of changes made between
15 September 26th and November 24th, and a third
16 revision to the Draft Guidelines was posted
17 yesterday on December 9th.

18 At this time I'd like to highlight the
19 major changes incorporated into the Draft
20 Guidelines. The substantive Guideline changes
21 focus on three areas: the cost-effectiveness
22 criteria, conformity, and cleanup changes.

23 First I want to discuss the proposed
24 cost-effectiveness criteria changes. We heard
25 from LEAs that the biggest challenge to the

1 program participation is meeting the cost-
2 effectiveness criteria. The Public Resources
3 Code requires all projects shall be cost-
4 effective and that the Energy Commission
5 establish a cost-effectiveness determination.
6 Therefore, the Commission established the Savings
7 to Investment Ratio, or SIR. The SIR is the
8 total net present value of savings over the total
9 project costs. This ratio compares the
10 investment the LEA will make now with the energy
11 cost savings the LEA will achieve over time.

12 Current guidelines define the eligible
13 energy project as a portfolio of bundled energy
14 measures at each school site submitted in one
15 expenditure plan that must achieve a minimum
16 Savings to Investment ratio, or SIR, of 1.05.
17 Individual energy measures may have a lower SIR,
18 but the energy project portfolio must achieve a
19 minimum SIR requirement of 1.05 to be approved
20 for Proposition 39 award.

21 Input from LEAs stated this criterion is
22 difficult to achieve, particularly when Districts
23 have been proactive implementing energy
24 efficiency in the past; therefore, the Proposed
25 Guidelines presented today recommend two major

1 changes to adjust the SIR calculation.

2 The first change to the SIR reflects a
3 modification to the definition of Eligible Energy
4 Project. The Revised Guidelines propose that an
5 Eligible Energy Project is a bundled group of
6 energy efficiency measures, or clean energy
7 installations, in or at one or more school sites
8 within an LEA. Therefore, the revised definition
9 of an Eligible Project is the total of all
10 eligible energy measures within an LEA, not a
11 single school site.

12 The second change to the SIR reflects the
13 expansion of the types of leveraged funding an
14 LEA may subtract from the total project cost in
15 the SIR calculation. With this change, non-
16 repayable funds such as bond funding, deferred
17 maintenance, general operation budgets, and other
18 funds, can offset the total project costs. This
19 will result in an increase to the SIR ratio.
20 These proposed changes will allow much needed
21 energy projects such as heating, ventilation and
22 air-conditioning, HVAC projects, to qualify for
23 Proposition 39 funding.

24 Also these changes will make the large
25 energy project requirement less difficult to

1 achieve. The large eligible energy project award
2 requirement affects LEAs receiving an award of \$1
3 million or more than \$1 million in any one fiscal
4 year. The statute requires that these LEAs spend
5 50 percent of their Proposition 39 award funds on
6 eligible energy measures totaling more than
7 \$250,000 at an individual school site. The
8 proposed revisions cannot change this large
9 energy project requirement, however, relaxing the
10 SIR calculation will have a positive consequence
11 for LEAs required to comply with this law.

12 Next, I'd like to discuss a few other
13 substantive changes related to the SIR. Built
14 into the SIR formula is an effective useful life
15 of the proposed energy measure. This is used to
16 calculate the net present value of savings. The
17 Draft Guidelines posted on December 9th reflect a
18 change to the Appendix E, Effective Useful Life
19 for Energy in Years. This Appendix will remain
20 in the Guidelines and is updated to include a
21 more complete listing of energy measures.

22 Another recommended cost-effectiveness
23 criteria change is the addition of an SIR
24 alternative for Zero Net Energy LEAs. If prior
25 to December 19, 2013, each school site within an

1 LEA had a zero dollar utility bill, or had a
2 positive bill credit from excess clean energy
3 generation, the LEA may consider submitting an
4 Energy Expenditure Plan using an SIR alternative
5 process. The LEA must demonstrate a cost-
6 effectiveness methodology that meets the Public
7 Resource Code 26206(C) that states: "All projects
8 shall be cost-effective, total benefits shall be
9 greater than project cost over time."

10 The final cost-effectiveness criteria
11 change to the Guidelines is the SIR for Power
12 Purchase Agreements discussed in Appendix F,
13 Power Purchase Agreement SIR Calculation and
14 Conditions. A Power Purchase Agreement, or PPA,
15 is a financing option where a vendor installs,
16 owns and maintains the clean energy system,
17 typically solar, on a PPA property. Under a
18 contract, the LEA purchases the electricity
19 generated by the system.

20 The Energy Commission received comments
21 on the Power Purchase Agreement SIR calculation,
22 revised the SIR formula, and added new PPA terms
23 and conditions to Appendix F. These recent
24 changes are reflected in an updated Revised
25 Guidelines posted on the Proposition 39 web page

1 on December 9th.

2 Conformity changes are the second
3 category of Guideline amendments. The Guidelines
4 were originally written in anticipation of their
5 adoption at the December 19, 2013 Energy
6 Commission Business Meeting and presented the
7 overall conceptual vision of the Proposition 39
8 Program. Many of the conformity changes include
9 updating the Guidelines to reflect their
10 adoption, changing verb tenses, and realigning
11 program information into appropriate documents.
12 For example, Appendix B, Energy Saving
13 Calculators in the Guidelines will be removed
14 because it is already in the Energy Expenditure
15 Plan Handbook. Appendix B lists the 21 energy
16 measures with Energy Saving Calculators available
17 to LEAs for completing Energy Expenditure Plan
18 Applications.

19 The third category of change is cleanup,
20 edits and additional language for clarification.
21 Some examples of Guideline cleanup include the
22 following: Relocated the historical 2013–2014
23 Fiscal Year Appropriations from page 1 to
24 Appendix A and updated the Guideline text with
25 2014–2015 Fiscal Year Appropriations; clarified

1 that the California Community College
2 Chancellor's Office Prop. 39 Program will
3 continue under separate Guidelines; added new
4 guidelines on how interest earned on Proposition
5 39 can be expended; and updated the Public Works
6 Project Award Notification and Payroll Reporting
7 section to reflect current Code.

8 Finally, I'd like to address one area
9 that did not change, and that is the Contracts
10 section which addresses the sole source
11 requirement. In the September 26th Draft
12 Guidelines, clarification language was proposed.
13 However, input received indicated that the
14 proposed change added confusion; as a result, the
15 language is now deleted. The Guidelines continue
16 to defer to LEAs' own procurement regulations and
17 procedures as long as they comply with the
18 acceptable state and local laws and regulations,
19 and are not in conflict with the minimum legal
20 standards specified in the Prop. 39 statute. The
21 Guidelines do not address the specific issue of
22 sole source contract prohibition and the
23 contracting process in Government Code 4217.
24 Proposition 39 Guidelines apply to a variety of
25 LEAs such as School Districts, County Office of

1 Education, Charter Schools, and State Special
2 Schools. Each individual entity covered by these
3 Guidelines may have different procurement laws,
4 and the contracting process in Government Code
5 4217 may apply differently, depending on the
6 entity. Therefore, LEAs need to consult their
7 own legal counsel for interpretation of
8 Government Code 4217 relating to Proposition 39
9 Sole Source Contracting Prohibition.

10 In conclusion, the Proposed Guidelines
11 before you today provide additional flexibility
12 to the Prop. 39 program, allowing LEAs to access
13 funding for much needed energy efficiency and
14 clean energy projects. As promised, when the
15 Commission approved the Guidelines last December,
16 we have listened to LEAs and other stakeholder
17 concerns and responded by fine tuning the program
18 to better meet the needs of California schools.

19 Thank you for the opportunity to present
20 the Proposed Guidelines Revisions to you this
21 morning.

22 COMMISSIONER DOUGLAS: Thank you very
23 much. Now, we've got a fair amount of cards
24 here, people who would like to speak, so I will
25 start going through that starting with people in

1 the room. I'll just say we have a three-minute
2 timer here for public comment, certainly
3 encourage you to come up and say what you'd like
4 to say, we want to hear from you, this is a very
5 important program and these Guidelines Amendments
6 represent the culmination of both a lot of work
7 and some on-the-ground experience with Prop. 39,
8 which is great, and I got a briefing on that
9 which I want to thank staff for, as well. There
10 is no prize for using up all of your three
11 minutes, however, if you are able to say what you
12 need to say and say it well in less. So with
13 that, let me go to Frank Tom, Green Charge
14 Networks.

15 MR. TOM: Good morning, Commissioners. I
16 represent Green Charge Network, as stated. Our
17 company supports the changes to the Guidelines
18 allowing for advanced energy storage systems as
19 an eligible Prop. 39 project. We have worked
20 collaboratively with CEC staff to develop
21 criteria calculators for storage systems. We are
22 hopeful the final results will conform to
23 industry best practices. As a case in point,
24 advanced energy storage systems have been an
25 approved product for the Self-Generation

1 Incentive Program, so it makes sense that this
2 would also be included in the Prop. 39 Handbook.

3 Based on advanced energy storage systems
4 such as ours, end users will save significant
5 short and long term energy cost savings. Thank
6 you for your consideration.

7 COMMISSIONER DOUGLAS: Thank you very
8 much for being here. Thanks for your comments.
9 Mark Johnson, ConSol.

10 MR. JOHNSON: Hello. Thank you for
11 letting us speak on this. My name is Mark
12 Johnson of ConSol. I'm representing the
13 International Window Film Association. We
14 generally support the changes, in fact the only
15 issue that we have is a change that was omitted
16 last night in yesterday's change, and that was
17 the movement of Appendix E, which is the Table of
18 Effective Useful Life of Measures to the
19 Handbook. And apparently this was deleted in
20 last night's change.

21 We greatly are interested in those
22 changes. It would give staff an opportunity to
23 manage and update the EUL, Effective Useful Life,
24 of measures. In the case of window film, the EUL
25 is currently set at 10 years, although

1 manufacturers fully warrant this product for 15
2 years to lifetime. So it doesn't make much sense
3 to us that the effective useful life is less than
4 the fully warranted period.

5 In our research, we found that it's not
6 been updated for over 20 years and this is done
7 in the DEER database, which we understand is
8 CPUC. Incidentally, we are working with the CPUC
9 on the 2016 changes. Our fear is that it will
10 not get out fast enough to let schools take
11 advantage of this, which will give them a great
12 impact on their SIR, which is the endgame here, I
13 think.

14 So we could not find a basis, I did much
15 research and could not find a basis of why that
16 10-year EUL exists. We went back as far as the
17 1990's and could not substantiate why that EUL is
18 present.

19 COMMISSIONER MCALLISTER: Just for
20 clarification, so you're talking about a EUL that
21 is in the Prop. 39 world, or in the DEER
22 Database?

23 MR. JOHNSON: It is in both places.

24 COMMISSIONER MCALLISTER: In both places.

25 MR. JOHNSON: It comes from and is cited

1 from the DEER Database, however, we were
2 supporting the change into the handbook just so
3 that staff can manage and be able to accept and
4 look at documentation that we have that would
5 show it shouldn't be this way, and hoping that
6 they could adopt a change at some point if it
7 passed their approval. So we've come to these
8 meetings, we came to the last one in 2013, and
9 again we were hoping that this change would be
10 made so that we can start getting some traction
11 on that movement. But it's not happening and,
12 again, our fear is it won't happen fast enough
13 for the Prop. 39 funding that's taking place. So
14 I guess in short the questions that I have are,
15 why has that change been moved and what can we do
16 to work with staff collaboratively to at least
17 get it evaluated to staff?

18 COMMISSIONER MCALLISTER: Yeah, it sounds
19 like we've got three kind of -- definitely, I
20 want to hear what staff has to say on this issue,
21 if there is some knowledge, sort of what happened
22 at the last minute. But then also, there's
23 probably a discussion with the PUC about this, as
24 well.

25 MR. JOHNSON: We are in discussions with

1 the CPUC and are working on the next round of
2 changes, and they fully understand that
3 situation.

4 COMMISSIONER MCALLISTER: And if we are
5 relying on the DEER database for the savings,
6 then the useful life sort of goes along with
7 that, so we would have to depart from that.

8 MR. JOHNSON: I understand. We just feel
9 in this case there is more than enough
10 documentation that I can bring to staff to look
11 at and make an informed decision if that could be
12 the case. Thank you.

13 COMMISSIONER DOUGLAS: Thank you.

14 COMMISSIONER MCALLISTER: Did you want to
15 respond to that at all?

16 MS. SMITH: Yes, I can respond. This is
17 Marcia Smith. I manage the Office of Local
18 Assistance and Financing. We moved the effective
19 useful life or kept it in the Guidelines partly
20 to solidify our ability to ensure compliance with
21 those measures. That does not preclude us from
22 continuing our discussion on this particular item
23 and if in fact we do find that we agree that
24 there should be a change, we can bring that
25 before the Commission for approval of changing it

1 in the Guidelines. So I think we can continue
2 the discussion we've been having.

3 COMMISSIONER MCALLISTER: Okay, are we
4 using the DEER Database numbers by reference, or
5 by sort of including them in our Guidelines?

6 MR. WANG: My name is Joseph Wang and I'm
7 the technical staff working on the effective
8 useful life list. We consulted the DEER Database
9 for all the, you know, life from their DEER
10 Database, so that was the original information
11 that we got from the CPUC staff.

12 COMMISSIONER MCALLISTER: Okay. So I
13 guess my question is, if it changes in the DEER
14 Database, does it automatically change in our
15 program?

16 MR. WANG: No, not yet. We have to update
17 our Guidelines to incorporate all the changes.

18 COMMISSIONER MCALLISTER: Okay, so that's
19 the answer, thank you.

20 COMMISSIONER DOUGLAS: All right. Let's
21 go on to the next comment. Rick Brown, Terra
22 Verde.

23 MR. BROWN: Thank you. First of all, I
24 want to commend staff. The process that was
25 described of the dialogue that went back and

1 forth to update the Guidelines and address some
2 of the issues was a very productive process and
3 we appreciate the time and effort that they put
4 into listening to schools, industry folks, and
5 folks like Terra Verde independent consultants.

6 I do want to comment specifically on the
7 conditions that are associated with the new PPA
8 formula. In the information that was released
9 last night, there was a maximum of 70 percent
10 that's put on those projects; that may make sense
11 in certain situations, but it's problematic
12 because there may be Districts who have already
13 implemented high efficiency lighting, HVAC,
14 they've reduced their load and from a
15 benchmarking standpoint are at the sort of
16 positive end of the spectrum. And if you limit
17 them at that point to 70 percent, in some cases
18 you're actually sub-optimizing their savings. We
19 have a number of Districts where we do these
20 kinds of analyses because of the way that net
21 metering rules work and how they intersect with
22 the load profile, particularly with schools who
23 don't use a lot of power in the summer, you're
24 actually reducing the savings which is part of
25 the goal. The program is to generate those

1 savings. So we'd like to have an opportunity to
2 work with staff to kind of provide a way of being
3 able to make the case that some cases, you know,
4 you lift that 70 percent limit.

5 The other issue I wanted to talk about is
6 I appreciate, actually, that there was an
7 inclusion of these terms and conditions,
8 including the warranty option, both for advanced
9 energy storage and for solar. But what I want to
10 bring up is perhaps we should think about in
11 future revisions having warranty requirements for
12 other types of equipment. When we go out to
13 schools and talk to them about their experience
14 with various energy conservation measures,
15 honestly I have to tell you it's HVAC and other
16 places where they've had problems with
17 warranties, they've had problems with
18 performance, more than frankly their solar
19 projects. And so again, I'm not saying we should
20 hold up the train now, but that may be something
21 we want to examine in the future in terms of
22 making sure we get the quality products built
23 into these projects. Thank you very much.

24 COMMISSIONER DOUGLAS: Thank you very
25 much. Next we have Anna Ferrera, Executive

1 Director of the School Energy Coalition.

2 MS. FERRERA: It is afternoon. Good
3 afternoon. I'm Anna Ferrera, School Energy
4 Coalition. We're made up of schools statewide
5 and associates, folks who are involved with
6 building school projects and energy efficiency
7 and renewable projects for California students.

8 We are pleased to share our strong
9 support for the Guidelines, the Proposed
10 Guidelines being submitted today, especially the
11 broadening of the SIR formula, which will allow
12 more LEAs to participate and to meet the
13 requirements in that SIR by being able to pull
14 LEA-wide for their energy expenditure plans.

15 SEC is also very grateful that the
16 additional contract language referencing public
17 contract code was taken back out. We do believe
18 it would have caused some confusion. We also
19 support, as Rick mentioned, the direction that
20 we're going in in terms of Power Purchase
21 Agreements. We understand there's also still
22 some concerns, but we do wholeheartedly support
23 the ability of schools and our members would like
24 to go in that direction when they have already
25 done a number of energy projects and

1 installations, and would like to go in the
2 direction of solar.

3 We stand ready to assist the Commission
4 as you move forward. We have tons of information
5 on school projects that are already moving, and
6 we'd love to be able to share that with you, and
7 also some challenges and other issues that may
8 arise as these new Proposed Guidelines move
9 forward.

10 Finally, we appreciate the work that the
11 staff has done. We see that the projects are
12 moving more quickly through your agency, and
13 we're very pleased to see over 200 done at 612
14 school sites across the state. So we thank you
15 for your efforts to understand how school
16 facilities work, and we stand ready to assist you
17 as these new Proposed Guidelines go forward.
18 Thank you.

19 COMMISSIONER DOUGLAS: Great. Well thank
20 you for being here and thanks for your work on
21 this. Marc Roper, Sovereign Modular. And I'll
22 just say as he walks up, I have one more card
23 after this. If you haven't filled out a card and
24 you're in the room and would like to speak,
25 please fill one out. Go ahead.

1 MR. ROPER: Thank you. My name is Marc
2 Roper. I am a member of the Solar industry and
3 have been so in California since about 1999 and
4 have spent a lot of time with the CEC and other
5 policymakers helping to establish policy in the
6 market for solar. Today I'm going to comment
7 specifically on the PPA SIR changes.

8 I'd like to start by saying thank you
9 very much for listening and in general very much
10 support the changes that have been made to the
11 PPA SIR and the hard work of the staff, I've
12 spent a lot of time with Joseph here, in
13 particular, getting fairly technical and granular
14 in analysis and very much appreciate the
15 willingness to receive information and respond to
16 it.

17 I'm just going to comment on one issue
18 that arose in the changes that were introduced
19 yesterday, it's the same that Rick Brown of Terra
20 Verde mentioned. And that is the capping of
21 project size to producing no more than 70 percent
22 of an LEA's annual energy consumption. And I
23 believe that specific condition needs to be
24 looked at a little more closely. It's
25 particularly in PG&E's service territory as a

1 function of rates and net metering policy, it's
2 essentially counter to the current industry
3 practice in almost every solar installation that
4 is made, and PG&E's service territory strives for
5 a higher percentage than 70, and that's because
6 the economics are very well defined, sharp, an
7 optimum economics point and it usually occurs
8 somewhere between 75 and 90 percent of the load,
9 and that's reflective of the very high time of
10 use summertime rates that solar allows you to
11 take advantage of with net metering.

12 And finally, the capping of 70 percent,
13 the logic that I understand, is that leaves a
14 little bit of wiggle room for weather, so in the
15 case that weather causes the system to over
16 produce and also some spare head room for future
17 energy efficiencies. I'd echo the comments of
18 Rick Brown that, particularly in the case where
19 those low hanging energy efficiency fruit have
20 already been harvested, perhaps that 20 percent
21 is a little bit too high. And I'd also encourage
22 the staff to consider potential forces driving
23 the energy consumption in the other direction,
24 and that would be things like increase in student
25 population, what happens when the weather is less

1 favorable than you predicted, and so you're
2 swinging to the negative instead of to the
3 positive. So in general I'd like to see a more
4 robust discussion on that particular point, but
5 overall very happy, and thank you for the
6 opportunity to comment.

7 COMMISSIONER DOUGLAS: Great. Thank you
8 for being here. That's actually it for cards in
9 the room. I'm going to go on to the phone now.
10 So Kate Gordon with NextGen.

11 MS. GORDON: Hi. Can you guys hear me?

12 COMMISSIONER DOUGLAS: Yes.

13 MS. GORDON: Great. I'm sorry for my
14 voice, I'm getting over laryngitis. Thank you so
15 much for allowing me the opportunity to speak.
16 I'm sorry I can't be there in person. I'm the
17 Vice President of Next Generation and we were
18 very involved in an NGO capacity, as you know, in
19 Prop. 39 implementation, particularly focused on
20 making these funds as widely available as
21 possible, also a member of the Citizens Oversight
22 Board which has not yet met, but we're hoping
23 that now that the final members have been chosen
24 by the AG's Office that we will actually meet
25 soon and that's one thing I want to encourage you

1 all to help us make happen, given that the CEC is
2 staffing the Citizens Oversight Board.

3 We're now at the full end of the first
4 full year since the initial Guidelines by your
5 staff and the Commission were adopted and we have
6 experience with what has and hasn't worked, and
7 I'm really impressed by how the CEC has listened
8 to local education agencies, responded with these
9 new Guidelines. These Guidelines respond to some
10 of the big issues that we have been hearing about
11 again and again in my capacity speaking about
12 Prop. 39 around the state. We heard a lot about
13 the Savings to Investment Ratio potentially
14 locking out some good projects, and also a lot
15 about the non-sole source provision requirement.
16 These are seen by many LEAs as creating problems
17 for compliance, particularly for the smaller
18 LEAs. The new Guidelines do a great job, I
19 think, of working to address these issues,
20 providing flexibility, and I really commend you
21 for that, for listening to what the LEAs were
22 saying, and for responding. And your staff has
23 just done an incredible job on these Guidelines.

24 You know, I also wanted to say one thing
25 we noted in implementation and we talked about a

1 lot was that there are some schools in California
2 that have gone a long way on the energy
3 efficiency and renewable energy already, and I
4 really commend you for giving these schools the
5 opportunity to use Prop. 39 funds for energy
6 storage, which essentially because of the open
7 nature of these funds and their use, and the
8 database of how they're used, this will
9 essentially allow those facilities to be pilot
10 projects on storage for the rest of the state,
11 and that's very exciting I think for everyone
12 interested in energy efficiency and distributed
13 generation, so thank you for that guideline.

14 You know, this is going to be an ongoing
15 learning process, I'll bet we'll be back at
16 another Business Meeting next year with more
17 changes. I just commend you for remaining open
18 to learning from experience. I think we've all
19 worked to structure the program to be as open as
20 possible and to allow for as much feedback as
21 possible. I would just finally encourage you to
22 help me get the Citizens Oversight Board up and
23 running so that there's another forum for these
24 types of discussions and that we could continue
25 to help the CEC to find the places for Guideline

1 changes and for the most effective
2 implementation. So basically just support you
3 guys and thank you for the work you've done, and
4 appreciate the opportunity to speak.

5 COMMISSIONER DOUGLAS: Thank you for
6 calling in and making comments at this meeting.
7 And get well soon. Let's go on now to Dan Chia,
8 Solar City.

9 MR. CHIA: Thank you, Chairman and
10 Commissioners. My name is Dan Chia with
11 SolarCity. I'm also speaking on behalf of SEIA,
12 the Solar Energy Industries Association. We both
13 greatly appreciate and support the hard work of
14 your staff in resolving some of the concerns and
15 disparate treatment of Power Purchase Agreements
16 with respect to the SIR calculation, especially
17 Joseph for his hard work and Advisor Hazel
18 Miranda and Grant Mack for suffering through many
19 meetings and calls. So thank you very much.

20 We're also appreciative of the inclusion
21 of energy storage and the key enabling technology
22 that can bring forward to schools to help shape
23 peak loads and minimize demand charges,
24 everything which is consistent with the CEC's
25 energy storage roadmap.

1 Unfortunately, we too share the concerns
2 that were articulated by Rick and Marc, I won't
3 belabor those concerns, but I'll point out with
4 respect to the weather variation sort of the 10
5 percent head room that we can't address via the
6 system sizing, the industry already takes into
7 account weather variation when we are in our
8 modeling of systems, and so we feel that that's
9 really a best practice that's already embedded in
10 what we do and what we provide for schools. And
11 so we feel that that's overly prescriptive and
12 ask that you address the issue head on and
13 require that to be taken into account as opposed
14 to limiting the size of systems to allow for that
15 variation.

16 This could be a minor error or oversight,
17 but I just wanted to raise the issue that on the
18 bottom of page F-1 of the MPV calculation
19 assumptions, the effective useful life of a solar
20 system financed by a PPA is 20 years. We suggest
21 that that number should conform with Appendix E's
22 25 years with a vendor warranty, so just a minor
23 comment there and hopefully that was just an
24 oversight. And with that, I have no further
25 comments, but thank you very much.

1 COMMISSIONER DOUGLAS: Thank you for your
2 comments. Commissioners, comments?

3 COMMISSIONER MCALLISTER: Yes. I want to
4 thank staff for all the hard work. I've said it
5 in a number of meetings, but I know you all have
6 said it on probably an order of magnitude more
7 than I, and for that I am very grateful. But
8 it's not just about the meetings, but about the
9 substance of what's talked about in those
10 meetings, and there's been a lot of substance on
11 Prop. 39, and certainly I agree with Kate and
12 want to thank Kate actually for her and NextGen's
13 leadership on this program, it's a big deal for
14 the state.

15 Recently I've been in a number of forums
16 or events where school representatives come up to
17 me and they've said, "Wow, we got our money so
18 fast that we're sort of scrambling to kind of get
19 our projects going." And that's exactly where we
20 want to be, right, is sort of not to hold up but
21 to actually get out in front of it and get the
22 plans approved and work with the Department of
23 Education to get the money out. So that's the
24 goal.

25 And just broadly speaking, you know, we

1 do have a challenge here, it's a big diverse
2 state, there are a lot of LEAs, they're in all
3 sorts of different situations, all sizes from
4 tiny to -- you know, from one room to, you know,
5 LA Unified. And it is difficult, impossible I
6 would say, to have a one-size-fits-all well. You
7 know, you're not going to fit every school
8 perfectly with a guideline that has to have some
9 rules in it. So the balancing act that I think
10 we're doing relatively successfully is trying to
11 provide some rules that apply to most, and then
12 also provide some flexibility for schools to do
13 things that fit their needs. So that balance --
14 it isn't easy to achieve.

15 So, well, let's see, I've got a number of
16 things I want to talk about here, so for example
17 on the SIR, I'm very happy with where we ended up
18 with that, and that was a negotiation, you know,
19 industry and the Commission really talked it
20 through, industry brought a proposal and we ended
21 up going with that proposal, I think we all saw
22 that it made sense.

23 And on the cap, I think again there are
24 varying opinions around the state on sort of how
25 much we should build in the loading order to the

1 guidelines, and we've heard from folks that
2 matter that the loading order, I mean, we bought
3 into the loading order as policy together with
4 the PUC and we try to enforce it, we try to make
5 sure that it's built into programs because it
6 makes sense.

7 However, if a school is truly following
8 the loading order and they have done much or all
9 of the efficiency, then we also want to encourage
10 them to go as far as they can and be towards Net
11 Zero, right, we also have a policy in the state
12 towards Net Zero for both new construction and
13 retrofit, so balancing that is a challenge.

14 Having said that, I have this ongoing
15 kind of disquiet a little bit about what is
16 actually already cost-effective for schools with
17 respect to PPAs, and that kind of I think --
18 maybe the reality varies - I've done a lot of
19 analysis on schools in a former life on solar on
20 schools, in rates analysis, and I get all those
21 issues and it does matter, the rates matter, the
22 load shapes matter, the seasonality matters, the
23 weather matters, it all matters. And so it is
24 again hard to have a one-size-fits-all kind of
25 Guideline.

1 So, you know, how a given school is going
2 to sort of stage their implementation of energy
3 efficiency in solar will vary. So I guess that's
4 really what I'm --

5 COMMISSIONER HOCHSCHILD: Could you try
6 to finish that thought? You were talking about
7 what is already cost-effective for schools --

8 COMMISSIONER MCALLISTER: Oh, I'm sorry,
9 thanks Commissioner. So some heads of some of
10 the solar companies have said they don't
11 understand why more schools aren't doing PPAs
12 because there's no money down and you can be
13 cost-effective from Day 1, often. And so there's
14 a question about how much the actual Prop. 39
15 money is going to tip the scale towards cost-
16 effectiveness or viability of a project or not.
17 And so part of the dialogue here in this update
18 of the Guidelines has been sort of what's the
19 value add from Prop. 39, which is General Fund
20 money, it's state money, to go and make a PPA
21 project cost-effective. And so the reason that
22 there was some deep discussion about the SIR
23 calculation was that we were trying to get that
24 right.

25 So you know, for some schools it may be

1 that a solar system via a PPA may be something
2 they could do independent of their Prop. 39
3 money, and they could spend their Prop. 39 money
4 on energy efficiency, or whatever else. And for
5 some schools that's not going to be the case. So
6 we've had quite a bit of discussion about that
7 and I wanted to sort of keep that conversation
8 going as we get more systems installed, more
9 projects done with the Prop. 39 funds that we can
10 keep an eye on how it's going and what the actual
11 impacts on the schools are. So I think that some
12 of them are threading the needle, some of them
13 really need the Prop. 39 funds, others may not,
14 and we want to keep an eye on that because it
15 does vary case by case. And I know many of the
16 industry representatives and the consultants that
17 are helping the schools have insight into that
18 and are in touch with what those schools actually
19 need.

20 So we've tried to build in really some
21 protections in the Guidelines so that, for the
22 majority of schools that are looking to define
23 what projects they're going to do, that it falls
24 within the realm of reasonableness, and that's
25 really kind of where we've gone.

1 So you know, maybe there is some extended
2 discussion about this 20 percent and how we treat
3 it, you know, is it a 30 percent? Is 70 percent
4 a hard cap? Is it 10 percent plus the 20
5 percent? And that 20 percent could be fungible
6 depending on whether the school has done all the
7 lighting and HVAC that it can do. So I think it
8 makes sense, we want to encourage efficient
9 buildings, but we also want to encourage schools
10 to go as far as they can towards their path of
11 Net Zero. So I think as we're still in the end
12 of Year 1, I think there's been a lot of good
13 progress, we've gotten a lot of money out the
14 door, there are schools that are doing great
15 projects and I'm really excited to see what the
16 results are as they flow in and they give us
17 their feedback about how it's going on --

18 COMMISSIONER HOCHSCHILD: You know,
19 Commissioner, if I could just briefly respond to
20 you. I mean, I think you basically have it
21 right, I think there's been some tweaking around
22 the margins, the 25-year life, that's the
23 warranty life system, but with respect to PPAs in
24 particular, solar, it's really worth noting the
25 cost is heavily policy dependent, right? So you

1 have the ITC going away in 24 months from 30
2 percent to 10 percent unless Congress acts, which
3 may not be that likely, right? And certainly net
4 metering 2.0, what that looks like, so those
5 things are going to dictate heavily on cost. So
6 I think you basically found the right balance and
7 being open to that because how those policies
8 turn out, you know, may change the needle
9 considerably, so I think you've landed in a very
10 good place.

11 COMMISSIONER MCALLISTER: Well, I
12 appreciate that. Yeah, the economic situation of
13 a given solar system is going to look different
14 after the ITC goes down from 30 to 10, for
15 example. Net metering reform, I think, will
16 affect nonresidential, but not nearly as much as
17 residential, so I'm thinking that will be less of
18 a wrench in the works. I can understand the sort
19 of interest from the solar industry to go ahead
20 and get more done, but that doesn't change the
21 fact that we have a lot of schools with a lot of
22 energy efficiency needs, as well. And we want to
23 really encourage them to take a holistic view and
24 do the low hanging fruit if there is any, and
25 sort of take the steps in the right order because

1 this is an opportunity that they have for these
2 funds in the near term, that they need to sort of
3 spend it right while they have the chance. So in
4 any case, those are my comments for now.

5 COMMISSIONER SCOTT: So, Commissioner
6 McAllister, I just wanted to thank you for your
7 thoughtful leadership on this program and thank
8 your team, Liz and Marcia, who did a fantastic
9 briefing for me a few days ago about the changes
10 that they're making. But I also wanted to take a
11 minute as you did to reflect it was less than a
12 year -- yeah, it's been a little bit less than a
13 year since we approved the first set of Prop. 39
14 Guidelines, and I think the amount of work and
15 care and dedication that's gone into standing up
16 an important program like this, and it's complex,
17 and you talked through some of the reasons why
18 it's so complex in the remarks that you just
19 made, but we've also done it in a way that I
20 think is user friendly to the schools, in a way
21 that we can get the money to the schools in a
22 timely fashion so that they can undertake these
23 projects, it's really impressive, I think, what's
24 gone on over the last year. And so I just wanted
25 to thank you and your team for the great work

1 that you've done there.

2 And the other thing I wanted to highlight
3 is I think almost every one of our commenters
4 mentioned the really good public process that we
5 have here. Liz had a great slide, I think Slide
6 4 in her presentation that highlighted the
7 process and, you know, as the public member I'm
8 always looking for good examples and to make sure
9 that we are hearing from all of the stakeholders
10 and really taking into account, listening well,
11 being able to change and be nimble and flexible
12 based on what we hear. And it just sounds like
13 we've also done a fantastic job with that here,
14 and so I'm glad to hear that and thank you for
15 your leadership here.

16 COMMISSIONER DOUGLAS: Yeah, I'll
17 thoroughly second those comments from
18 Commissioner Scott and appreciate them.

19 So do we have a motion on this item?

20 COMMISSIONER SCOTT: I'll move approval.

21 COMMISSIONER MCALLISTER: I'll second.

22 COMMISSIONER DOUGLAS: All those in
23 favor?

24 (Ayes.) Very good, Item 8 is approved
25 unanimously.

1 COMMISSIONER DOUGLAS: Now, just a quick
2 time check here. We're going to do Item 9 and
3 then take a half hour lunch, so if you're here
4 and you want more than a half hour for lunch and
5 you don't have an interest in Item 9, you may
6 want to leave now just to get a little more time
7 for lunch because we will start a half hour after
8 Item 9 ends.

9 COMMISSIONER HOCHSCHILD: Again, the new
10 café is open, their chili is excellent, we're
11 trying to get people to use it so they stay here,
12 second floor.

13 COMMISSIONER DOUGLAS: Right. There's
14 some very nice seating up there on the second
15 floor, as well, so enjoy.

16 All right. With that, Item 9, Voluntary
17 California Quality LED Lamp Specification 2.0.
18 Possible approval of a resolution adopting
19 proposed updates to the Energy Commission's
20 Voluntary California Quality Light Emitting Diode
21 LED Lamp Specifications. Mr. Rider.

22 MR. RIDER: Good morning, Commissioners,
23 or I guess afternoon. I'm Ken Rider and I'm
24 staff with the Energy Commission's Appliance
25 Efficiency Program. I'm here today to present

1 staff's recommendation to update the Voluntary
2 California Quality LED Specification. Before I
3 go into the details of the Update, I would like
4 to inform the Commissioners and the audience
5 here, as well, that a new version of the
6 resolution for this item was distributed today
7 and that there are copies available at the back
8 of the room.

9 The Voluntary California Quality LED
10 Specification, originally published in December
11 of 2012, established recommended levels of
12 performance for LED Lamps used in applications
13 traditionally served by incandescent lamps.
14 Consumer expectations for Light Quality and Lamp
15 Performance have been set by incandescent lamps
16 which have historically dominated the residential
17 market.

18 Lamps that comply with the Voluntary
19 Quality LED Specification avoid many of the poor
20 performance factors that severely hindered the
21 adoption of CFL Lamps. The Voluntary California
22 Quality LED Specification also serves as
23 performance requirements for many of the
24 California utility rebate programs, thereby
25 incenting manufacturers to make better lamps and

1 consumers to avoid poor performing lamps.

2 The specification was based on draft
3 versions of US EPA's ENERGY STAR Program and was
4 based on a concept of ENERGY STAR Plus, meaning
5 going a bit beyond ENERGY STAR in some regards
6 such as color quality.

7 In August of 2013, EPA finalized its
8 ENERGY STAR Lamp Specification with some changes
9 to its original thinking. One critical
10 difference between the ENERGY STAR draft and the
11 final specification was in the directionality
12 requirements for omnidirectional lamps.

13 Omnidirectional lamps are lamps that provide
14 light in all directions, in contrast to a full
15 lamp or a spotlight, so it's a lamp that looks
16 like this, this is an omnidirectional lamp.

17 ENERGY STAR found that even many
18 incandescent lamps would not meet its draft
19 requirement and therefore changed the
20 requirements. This difference between our
21 specification and the ENERGY STAR specification
22 causes an unnecessary rift without providing an
23 additional quality or incandescent light
24 performance to our specification. Staff released
25 a draft update to the California Specification to

1 address this difference and update many obsolete
2 references to the draft version of ENERGY STAR.

3 Staff released this draft for public
4 comment on October 14th of 2014, with comments
5 due on November 7th. Staff received comments
6 from multiple stakeholders.

7 The update to the Voluntary Specification
8 is time sensitive and many of the comments
9 received would require a longer process to vet
10 and determine appropriateness. However, one
11 common theme amongst the comments was the need to
12 make changes to recessed retrofit kits, which are
13 these type of products.

14 The current specification requires that
15 these kits conform with ANSI lamp shapes and
16 distribute light in a way that is not consistent
17 with the typical design of the product. In
18 response, staff has made additional changes to
19 the specification that clarify that recessed can
20 retrofit kits do not need to comply with ANSI
21 bulb shapes and that the light distribution must
22 comply with ENERGY STAR's luminaire specification
23 for recessed downlight fixtures. The changes are
24 reflected in a specification made available as
25 backup material to this Business Meeting and were

1 posted to the Energy Commission's website on
2 December 2nd.

3 The changes will not reduce the expected
4 consumer satisfaction of the kits, but will
5 remove market and rebate program confusion over
6 these matters.

7 As we are in the midst of the LED market
8 transformation, it is important to remove obvious
9 market barriers quickly and therefore staff has
10 presented limited changes to the original
11 specification in exchange for expediency. Staff
12 will continue to investigate the additional
13 stakeholder feedback and continue to monitor the
14 rapid changes in the LED market. If it is
15 appropriate or necessary to update the Voluntary
16 Quality Specification again, then staff will
17 propose additional modifications.

18 Staff respectfully recommends that the
19 Commission adopt the revisions originally
20 proposed to the California LED Specifications, as
21 well as the modifications requested for recessed
22 fixture kits, to address the consistent
23 stakeholder comments. Making these changes will
24 broaden market adoption of the technology without
25 making a sacrifice of lighting quality relative

1 to incandescent lamps.

2 COMMISSIONER DOUGLAS: Thank you very
3 much, Mr. Rider. I do not have any cards from
4 the room. I've got one person on the phone who
5 would like to speak, Aaron Feit with Feit
6 Electric. Are you there?

7 MR. FEIT: Yes.

8 COMMISSIONER DOUGLAS: Great. Go ahead.

9 MR. FEIT: Did I hang up?

10 COMMISSIONER DOUGLAS: We hear you. Go
11 ahead. Mr. Feit, can you hear us? All right,
12 well -- so what we'll do is we'll go to
13 Commissioners for comments on this and we'll
14 attempt to contact Mr. Feit and see if there's
15 any way we can get him on. Go ahead,
16 Commissioner McAllister.

17 COMMISSIONER MCALLISTER: So, yeah.
18 Thanks, Ken. This is a pretty small change, it's
19 really just conformance with a standard to avoid
20 confusion. I think you explained all of that
21 very well. And you know, the Quality Spec has
22 been out for quite a while now, a couple years.
23 It seems to actually be providing --

24 MR. FEIT: I'm going to wait until after
25 the comments before I'd like to speak and if

1 everything -- I don't need to speak, only if
2 there are some issues.

3 COMMISSIONER MCALLISTER: Oh, sure. You
4 can resoundingly endorse what I'm about to say.
5 How about that?

6 MR. FEIT: I can resoundingly endorse
7 that. Thank you.

8 COMMISSIONER MCALLISTER: But the Quality
9 Spec has been out there for a couple years now
10 and there's been some really great discussion
11 about it. I think the train about the basic
12 delineation of the Quality Spec kind of left the
13 station a while back and I am really happy to
14 hear kind of how the marketplace is evolving. It
15 is actually having an impact on the marketplace.
16 There are technical issues that crop up and the
17 LEDs in many respects is kind of a Brave New
18 World, and so the industry is starting to grapple
19 with how to kind of characterize and quantify the
20 various attributes of LEDs versus previous
21 sources of light, and that's actually exciting,
22 you know, but that's in process. And so I think
23 the Quality Spec has provided kind of a focal
24 point for the industry to aim at, you know, sort
25 of a target for the industry to aim at. And

1 really, folks like Mr. Feit from Feit Electric
2 have really stepped up and built products that
3 just provide an incredibly high level of service
4 to the customer, and that's where we all want to
5 go. And so I think this is a relatively small
6 step and I'm in full support, but wanted to
7 provide a little bit of context for that. So
8 thanks.

9 COMMISSIONER DOUGLAS: Thank you,
10 Commissioner McAllister. It is very exciting, I
11 agree, to see how this market is evolving. I
12 have to admit, there might be some LED light
13 bulbs finding their way into Christmas stockings
14 and so on around my family, so we'll see how
15 people take that. But in any case, let me ask
16 Mr. Feit, do you have any comments based on what
17 you've heard.

18 MR. FEIT: No, I have no further
19 comments. I applaud what the Commission is
20 doing.

21 COMMISSIONER DOUGLAS: Well, thank you
22 very much. Commissioners, anything else? Or do
23 we have a motion?

24 COMMISSIONER HOCHSCHILD: So moved.

25 COMMISSIONER MCALLISTER: I'll second.

1 COMMISSIONER DOUGLAS: All in favor?

2 (Ayes.)

3 MR. OGATA: Commissioner, Excuse me.

4 This is Jeff Ogata, Acting Chief Counsel. Just
5 for the record, I want to be clear that what you
6 just approved was the Resolution that you had in
7 your hands just prior to the start of the
8 Business Meeting -- as Mr. Rider pointed out,
9 they are available in the back of the room --
10 because there is another version out there, so I
11 just wanted to be clear that you're approving the
12 version that you have right in front of you right
13 now.

14 COMMISSIONER DOUGLAS: Thank you very
15 much, Mr. Ogata.

16 Now, we are going to break for lunch;
17 however, Public Advisor notified me that there is
18 one person who has a 3:00 flight back to LA and
19 requested that we go out of order. Rather than
20 take an item out of order, I guess, is he still
21 here? Or she? Oh, they broke for lunch, well,
22 that's fine. I was going to see if they just
23 wanted to make public comment now, but we'll hope
24 to get them when they get back. All right,
25 thanks very much. All right, so we will be back

1 at five minutes after 1:00.

2 (Break at 12:35 p.m.)

3 (Reconvene at 1:07 p.m.)

4 COMMISSIONER DOUGLAS: We are back. Come
5 on up, Nick and let's get started. Item 10,
6 Electricity Demand Forecasts, possible approval
7 of *Forms and Instructions for Electricity Demand*
8 *Forecasts* prepared in support of the 2015
9 *Integrated Energy Policy Report (IEPR)*. Mr.
10 Fugate.

11 MR. FUGATE: Good afternoon,
12 Commissioners. My name is Nick Fugate, I'm with
13 the Demand Analysis Office.

14 I'm here today to request that the Energy
15 Commission adopt the December 2014 staff proposed
16 forms and instructions for submitting electricity
17 demand forecasts. I'd like to take a moment to
18 point out that this and the next item on today's
19 agenda are related; my colleague, Jim Woodward,
20 of the Supply Analysis Office will be requesting
21 adoption of another set of forms and instructions
22 that solicit resource plan information from many
23 of the same LSEs.

24 Jim and I have worked collaboratively to
25 develop our respective forms and we'll try not to

1 be too repetitive in our remarks here.

2 These forms and instructions, the set
3 related to Demand Forecasts, represent the most
4 recent iteration of a biennial data request that
5 is made to Load Serving Entities with an annual
6 peak demand greater than 200 megawatts. Data
7 collected through these forms will allow staff to
8 consider a broad range of perspectives as we
9 prepare our own electricity demand forecasts in
10 support of the 2015 Integrated Energy Policy
11 Report.

12 Large portions of these instructions
13 remain unchanged from the previous version which
14 was adopted in support of the 2013 IEPR. We
15 routinely request historical and forecasted
16 levels of electricity consumption, peak demand,
17 hourly loads, and economic and demographic
18 trends.

19 New to this cycle, this cycle's request,
20 we are also asking for customer side photovoltaic
21 system interconnection totals. This addition is
22 critical in order for staff to establish an
23 historic baseline for our distributed generation
24 modeling efforts.

25 On November 4th of this year, staff from

1 the Demand and Supply Analysis Offices held a
2 public workshop to present and solicit comments
3 on these forms and instructions. Despite being
4 well attended by generators and utilities, the
5 workshop did not prompt any formal stakeholder
6 comments. Questions posed at the workshop were
7 clarifying in nature, and the bulk of the
8 discussion centered around understanding the new
9 components of the request.

10 If adopted, these forms and instructions
11 would be released to Load Serving Entities,
12 responses would be due beginning February 18th
13 for historical demand data, which standard the
14 Commission uses to calibrate our own forecasting
15 models. The forecast portion of this data
16 request would be due by April 13th.

17 Based on our interactions with
18 stakeholders during and after the workshop, staff
19 feels confident that these forms and instructions
20 are generally understood and accepted by those
21 Load Serving Entities that are responsible for
22 responding, and so we are happy to recommend that
23 they be adopted by the Commission.

24 COMMISSIONER DOUGLAS: Thank you very
25 much. I don't have any cards on this item. I'm

1 assuming no public comment. If anyone does want
2 to comment, please so indicate now. Questions or
3 comments, Commissioners?

4 COMMISSIONER MCALLISTER: So will some of
5 the forms be used -- so once we get through the
6 summer and sort of the forecasting folks need
7 sort of the most current data to close out the
8 forecasts, are these forms also what will be used
9 for that?

10 MR. FUGATE: Not exactly. So typically
11 the largest utilities have been very cooperative
12 in responding to our data needs and we do a sort
13 of informal update to the data that they submit
14 in April, later on in the summer as we get more
15 information, especially with regard to peak load.

16 COMMISSIONER MCALLISTER: Yeah, okay.
17 Thanks. I'll move Item 9.

18 COMMISSIONER SCOTT: Second.

19 COMMISSIONER MCALLISTER: Oh, sorry, we
20 did that already. Sorry, I'll move Item 10 now
21 that I'm looking at it. Jeff was going to let us
22 know, but... Sorry about that. I'll move Item
23 10.

24 COMMISSIONER SCOTT: I will second.

25 COMMISSIONER DOUGLAS: All in favor?

1 (Ayes.) Item 10 is approved.

2 COMMISSIONER DOUGLAS: Let's go on to
3 Item 11, Electricity Resource Plans. Possible
4 approval of *Forms and Instructions for Submitting*
5 *Electricity Resource Plans* in support of the 2015
6 Integrated Energy Policy Report. Mr. Woodward,
7 go ahead and be brief since we heard some of the
8 background already.

9 MR. WOODWARD: Good afternoon,
10 Commissioners. I'm Jim Woodward and I serve as
11 an Electric Generating Systems Specialist in the
12 Energy Assessments Division.

13 Energy Commission staff recommends that
14 *Forms and Instructions for Submitting Electricity*
15 *Resource Plans* be adopted by the Commission in
16 support of the 2015 Integrated Energy Policy
17 Report. The instructions direct Load Serving
18 Entities, LSEs, to report on their commitments
19 and their plans to procure adequate supplies of
20 energy, along with adequate supplies of capacity
21 to meet their annual peak loads.

22 These Forms and Instructions are
23 essentially unchanged from those that were
24 adopted by the Commission two years ago for the
25 2013 Integrated Energy Policy Report. The larger

1 utilities and one large community choice
2 aggregator are asked to provide 10-year forecasts
3 of loads and resources, in this context "large"
4 means LSEs that had annual peak loads over 200
5 megawatts in the last two years.

6 Small publicly-owned utilities, POUUs, and
7 member-owned rural electric cooperatives are
8 asked to provide year-ahead forecasts of loads
9 and resources, along with actual hourly loads for
10 the current year, 2014. Those LSEs that are
11 Electric Service Providers, ESPs, who also had
12 peak loads over 200 megawatts, are asked to
13 provide a 5-year forecast of loads and resources.

14 Besides directing these LSEs to provide
15 annual data on capacity and energy supply
16 resources, all LSEs are directed to provide
17 information on their currently valid bilateral
18 contracts or Power Purchase Agreements for
19 capacity or energy, including all such supplies
20 that are in effect or will be in effect for at
21 least 92 days during the forecast period.

22 These requirements are unchanged from
23 2013. As in 2013, the instructions ask the
24 California Department of Water Resources, our
25 sister agency, for a 10-year forecast of loads

1 and resources expected to operate the State Water
2 Project. The City of Vernon has also requested
3 to file supply forms with the loads and resource
4 data for 10 forecast years, comparable to its
5 resource plans submitted in prior years.

6 This year, the City and County of San
7 Francisco is requested to file supply forms with
8 load and resource data through 2024 in
9 recognition of San Francisco's aims to expand
10 retail customer service base served by Hetch
11 Hetchy Power System, and also with respect to its
12 unique electrical topology with transmission
13 interconnections to three balancing authority
14 areas. For LSEs except the large investor-owned
15 utilities, April 24, 2015 is the proposed due
16 date for their supply forms. For the IOUs, the
17 proposed due date is a week later, May 1st, 2015.

18 The data information that LSEs provide on
19 their forecast electricity supplies are essential
20 to the Energy Commission's assessments of major
21 trends in energy markets, analysis of particular
22 issues regarding generation infrastructure, and
23 staff's own forecasts regarding local reliability
24 and system resource adequacy. We respect and
25 appreciate that these electricity resource plans

1 represent good faith estimates and reasonable
2 expectations, especially with regard to when new
3 physical or contractual resources will be
4 available to serve load and once some existing
5 resources may be retired or repowered.

6 And with that, staff recommends that
7 these *Forms and Instructions for Submitting*
8 *Electricity Resource Plans* be considered for
9 adoption.

10 COMMISSIONER DOUGLAS: All right. Thank
11 you very much. Questions or comments,
12 Commissioners?

13 COMMISSIONER MCALLISTER: That all sounds
14 good to me. I actually had one question that I
15 did not ask Nick, but that I'd like to ask.

16 COMMISSIONER DOUGLAS: Go ahead.

17 COMMISSIONER MCALLISTER: So is the level
18 of disaggregation, or the level of geographic
19 specificity of your asks on the demand side -- is
20 that going up, I guess? Are you asking for more
21 geographically specific information going forward
22 than you have historically?

23 MR. FUGATE: Not in this iteration of the
24 request. So we are working on improving the
25 disaggregation of our models, but that's sort of

1 a work in progress that we're going through this
2 cycle, and we feel that right now, for what we
3 have planned for this cycle, the request as it is
4 will be sufficient.

5 COMMISSIONER MCALLISTER: Okay. So,
6 yeah, well it will be interesting to have that
7 discussion, sort of what the future cycles
8 planning looks like during the upcoming IEPR.
9 All right, so I'll move Item -- I want to get
10 this one right -- 11.

11 COMMISSIONER HOCHSCHILD: Second.

12 COMMISSIONER DOUGLAS: All in favor?

13 (Ayes.) Item 11 is approved. Thank you
14 very much.

15 COMMISSIONER DOUGLAS: Item 12, Canadian
16 Standards Association. Proposed resolution
17 approving Agreement 140-14-001 with Canadian
18 Standards Association. Mr. Murza.

19 MR. MURZA: Good afternoon,
20 Commissioners. My name is Michael Murza and I'm
21 a Staff Attorney in the Chief Counsel's Office.
22 I'm here today to ask for your approval of a
23 license for the Canadian Standards Association to
24 use two provisions of the 2013 Building Energy
25 Efficiency Standards, and three figures from the

1 2008 Nonresidential Compliance Manual in a Model
2 Energy Code that would be available to
3 International Standards Development
4 organizations.

5 We have worked with staff in the
6 Efficiency Division and have concluded that
7 granting this license would elevate the status of
8 California's Standards internationally, promote
9 energy efficiency, and further support
10 international standards harmonization.

11 The Canadian Standards Association is a
12 nonprofit standards development organization
13 federally chartered in Canada and accredited by
14 the Standards Council of Canada to promote
15 efficient and effective standardization.

16 The key terms of the license are that it
17 would not include a fee, it would be non-
18 exclusive, and it would grant permission to use
19 two sections in Title 24, Part 6, of the
20 California Code of Regulations, specifically
21 Sections 140.8 entitled "Requirements for Signs,"
22 and Section 130.3 entitled "Signed Lighting
23 Controls", as well as Figure 7-1, 7-2, and 7-3 of
24 the 2008 Nonresidential Compliance Manual, each
25 depicting a different type of sign.

1 I ask for your approval of the resolution
2 approving Agreement 140-14-001. Thank you for
3 your time and I'm happy to answer any questions
4 you may have.

5 COMMISSIONER HOCHSCHILD: I'm happy to
6 approve this, I just have kind of a dumb
7 question, why is this proprietary? Why do we
8 have to approve doing this in the first place?

9 MR. MURZA: We did some research and
10 found that we do have a copyright on the
11 materials.

12 COMMISSIONER HOCHSCHILD: Ah, okay.
13 Okay, I didn't know that.

14 MR. OGATA: This is Jeff Ogata. And also
15 I believe that they request the license to
16 protect themselves, as well, so --

17 COMMISSIONER HOCHSCHILD: Ah, I see,
18 okay, that makes more sense.

19 MR. OGATA: -- kind of both ways on why
20 we're doing this.

21 COMMISSIONER HOCHSCHILD: Okay, got it.
22 Okay. I move the item.

23 COMMISSIONER MCALLISTER: Second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) This item is approved. Thank

1 you very much.

2 MR. MURZA: Thank you.

3 COMMISSIONER DOUGLAS: All right, we're
4 on to the much awaited, by some of you I know,
5 Item 13. Now, I think we still have people in
6 the room, is that correct, wanting to speak to or
7 be available for 13B and C? Is that right? In
8 any case, good. All right, B and C. So let's go
9 ahead and go through it, but let's kind of get to
10 comments or get to those items maybe first if you
11 could. Go ahead, Ms. ten Hope.

12 MS. TEN HOPE: Good afternoon. So I'm
13 just going to take a moment before I turn the
14 microphone over to Mike Sokol to present this
15 item just to kind of mark this particular
16 milestone. These are the first EPIC Awards and
17 it was just about a year ago that the CPUC
18 approved our three-year Investment Plan for about
19 \$330 million for investments, including Energy
20 Solutions. And in that timeframe we've been busy
21 implementing that Investment Plan. We currently
22 have 12 solicitations that have been issued from
23 that Investment Plan, that represents about \$182
24 million, and that money represents opportunities
25 for innovation and solutions that sort of help us

1 achieve our Clean Energy goals.

2 It's been a very active year for us, it's
3 also been very active for Applicants. I think
4 Applicants are happy to see the funding moving,
5 it's also a lot of activity, so it's kept people
6 pretty busy.

7 We have five solicitations that are
8 currently opened that people can still apply to,
9 and one of them that I wanted to call attention
10 to is the Federal Cost Share Solicitation. This
11 is an aspect that was put in the plan at many
12 stakeholders' requests and it models after the
13 ARRA cost share that we did a couple years ago,
14 and this provides an opportunity for researchers
15 who are applying for Federal Grants to apply for
16 cost share through the EPIC Program if it's
17 consistent with the initiatives in our Investment
18 Plan and we've established sort of a streamlined
19 speedy application process for that to help
20 Applicants bring some of those funds back here.

21 This is the first round of awards for
22 your consideration. At almost every Business
23 Meeting for the next six to nine months, we'll be
24 bringing forward proposed awards from the
25 solicitations that are currently under review, so

1 the next batch will be on building energy
2 efficiency and storage demonstrations, and you
3 can look forward to proposed awards for
4 microgrids, bioenergy, electric vehicle
5 integration, additional energy efficiency, zero
6 net energy demonstrations, etc. So it's quite
7 exciting to be here at this point and give you an
8 opportunity to hear about these seven projects
9 that are up for your consideration today.

10 COMMISSIONER DOUGLAS: Well, thank you
11 very much, Ms. ten Hope. And obviously it almost
12 goes without saying that this is a huge
13 achievement. It's been a lot of work to put the
14 EPIC Program together, develop the Investment
15 Plan, get it through the process of the CPUC, get
16 the solicitations out the door, and to be at the
17 point now of being at the cusp of making our
18 first EPIC Awards is a really big deal, so thanks
19 to you and your staff for making this happen.
20 And with that, let's go into the presentation,
21 then. Go ahead, Mr. Sokol.

22 MR. SOKOL: Okay, good afternoon,
23 Commissioners. I'm Michael Sokol with the Energy
24 Research and Development Division. And staff
25 requests approval of seven grant agreements

1 recommended for funding under EPIC solicitation
2 PON-13-303, Advancing Utility Scale Clean Energy
3 Generation. This solicitation addresses the 2012
4 through 2014 Triennial EPIC Investment Plan
5 Strategic Objective S4 to develop emerging
6 utility scale renewable energy technologies and
7 strategies to improve power plant performance,
8 reduce costs, and expand the resource base.

9 This solicitation received 18
10 applications for applied research and development
11 projects in three distinct project groups. Group
12 1 was thermal energy storage for concentrating
13 solar power, which received eight proposals;
14 Group 2 was solar and wind forecasting and
15 modeling, which received eight proposals; and
16 Group 3 is for geothermal energy generation
17 facilities, which received two proposals.

18 Out of these 18 proposals, 12 received a
19 passing score, and seven projects are finalists
20 recommended for funding for a total awarded
21 amount of just under \$10 million, and total match
22 funding of just over \$5.6 million.

23 The recommended projects are as follows:
24 Itron, Inc., dba IBS, along with subcontractor
25 Clean Power Research, plans to develop and verify

1 improved net load forecasting models that
2 incorporate high fidelity solar forecasting
3 techniques for grid-connected solar systems in
4 California. The project team will work with the
5 California Independent System Operator and
6 relevant California utilities to verify model
7 improvements with the aim of significantly
8 reducing resource scheduling errors. This
9 research is expected to result in reductions in
10 regulation service costs and associated
11 greenhouse gas benefits. The project team plans
12 to provide \$450,000 in match funding for this
13 project.

14 Geysers Power Company is proposing to
15 develop and validate new tools and methods to
16 investigate how operations and infrastructure at
17 the Geysers may be modified in order to address
18 the integration of intermittent renewable energy
19 sources such as wind and solar. Previous
20 experience has shown that a variety of physical
21 and operational problems are associated with
22 providing flexible generation from geothermal
23 facilities; this project will enable Geysers
24 Power Company to define the maximum load changes
25 that are cost-effectively achievable at the

1 Geysers in terms of magnitude, frequency,
2 duration, and ramp rate. The project team will
3 contribute \$3 million in match funding for this
4 effort, which is equal to 100 percent of the
5 requested EPIC funding.

6 The Regents of the University of
7 California, Los Angeles Campus, plan to test a
8 novel thermal energy storage system that utilizes
9 elemental sulfur as a robust thermal energy
10 storage fluid to reduce system costs, increase
11 system lifetime, and provide a scalable solution
12 for a wide range of concentrating solar power
13 applications. A 30 kilowatt hour pilot scale
14 demonstration of this sulfur-based thermal energy
15 storage system will be integrated with the Linear
16 Fresno Lens Concentrating Solar Technology
17 developed by Hyperlight Energy and demonstrated
18 at the San Diego State University Center for
19 Energy Sustainability in Brawley, California.
20 The proposed research will build from preliminary
21 advances made in a recent ARPA-E SoCal Gas and
22 Energy Commission funded research project to move
23 this promising technology towards
24 commercialization. Southern California Gas
25 Company is planning to provide \$300,000 in match

1 funding for this project.

2 Next, Halotechnics plans to integrate and
3 pilot test a modular thermal energy storage
4 system that enables low cost grid-scale storage
5 in the range of 20 to 50 megawatts. The proposed
6 system will employ a novel cascaded tank
7 arrangement using standard shipping containers
8 and commercially available tanks to significantly
9 reduce the installed cost of thermal energy
10 storage for concentrating solar power. The
11 project aims to build, validate and thermally
12 cycle a 75 kilowatt, 500 kilowatt hour thermal
13 energy storage system with five tons of molten
14 salt. This project will build off advances made
15 in a recent ARPA-E funded project to help
16 commercialize this technology and the project
17 team plans to provide roughly \$19,000 in match
18 funding for the project.

19 Next, the University of California, San
20 Diego, along with subcontractor San Diego Gas and
21 Electric and Strategen, and project partners UCLA
22 and South Coast Air Quality Management District,
23 will improve and integrate previously developed
24 high fidelity solar forecasting tools with the
25 operation of non-critical distributed energy

1 resources on the U.C. San Diego Campus Microgrid
2 and pilot test a network of six total sky imagers
3 on warehouse rooftops within the Los Angeles
4 Basin Area. On campus energy storage, Advanced
5 Electric Vehicle Charging, and Demand Response
6 resources will be aggregated into a virtual power
7 plant and optimized based on generated solar and
8 net load forecasts to assess how the value of
9 distributed energy resources increases with the
10 integration of high accuracy solar forecasting.
11 The project team plans to provide just under \$1
12 million in match funding, which is equal to 100
13 percent of the requested EPIC funding amount.

14 Next, the Regents of the University of
15 California at Davis, along with subcontractors
16 AWS Truepower, Sonoma Technology, Inc., and MESO,
17 Inc. plan to develop coordinated atmospheric
18 field measurements and computational modeling
19 improvements to accurately predict short-term
20 wind ramp events in the Tehachapi Pass wind
21 resource area. The proposed research directly
22 leverages a deployed meteorological
23 instrumentation network from a previous Energy
24 Commission funded project. If the proposed
25 modeling improvements are successfully validated,

1 they will be immediately activated for
2 operational forecasts delivered to the California
3 Independent System Operator. Due to the complex
4 terrain in the Tehachapi area, the findings of
5 this research should be readily adapted and
6 applied to many other regions. The project team
7 plans to provide over \$90,000 in match funding
8 for this effort.

9 And lastly, the University of California,
10 San Diego will develop and validate high fidelity
11 direct normal irradiance and plane of array
12 irradiance forecasting models for time horizons
13 ranging from five minutes ahead to 72 hours
14 ahead, and integrate those forecasts into
15 accurate resource to power models for utility
16 scale central solar power plants. Initially, the
17 model performance will be verified using
18 operating data from Ivanpah Solar Energy
19 Generation System Concentrating Solar Plant in
20 California. Lessons learned from the Ivanpah
21 phase of the project will then be used to produce
22 a real time operational forecast system for the
23 250 megawatt California Valley Solar Ranch Plant,
24 a single axis PV tracking plant. The U.C. San
25 Diego research team plans to provide over

1 \$760,000 in match funding for this effort.

2 Each of these projects promises to
3 address the issues within integrating increasing
4 levels of wind and solar energy at the utility
5 scale and helps to develop an optimal pathway to
6 help California achieve its renewable energy and
7 greenhouse gas reduction goals, while also
8 providing benefits to California investor-owned
9 utility ratepayers, consistent with the EPIC
10 guiding principles.

11 Staff recommends approval of each of
12 these proposed projects and we would be happy to
13 address any questions you might have. Thank you.

14 COMMISSIONER DOUGLAS: Great. Thank you
15 very much. So I've got, I know, a number of
16 public commenters, or people who are available in
17 any case to speak on items. I've got a card for
18 Karl Urbank with Geysers Power Company, LLC, if
19 you could come up now?

20 MR. URBANK: Thank you. Karl Urbank, I'm
21 the Project Manager for Calpine for this proposed
22 study and thank you for letting me speak to you a
23 bit about our proposed grant application for
24 increasing operational flexibility at the
25 Geysers.

1 I've got three people on our Application
2 team that I'd like to introduce. I've got
3 Danielle Matthews Seperas, Bill Valagura,
4 and Jessica Leung, and they've helped a lot in
5 putting this whole package together and I think
6 it's quite valuable to us.

7 One thing we'd like to do is, we know
8 you're all familiar with the Geysers, but we have
9 an excellent visitor center, we give a lot of
10 public tours through that, and we'd like to
11 invite any of you up to come and arrange for a
12 private tour, any of you or your staffers, and
13 Danielle can take care of that for us, so please
14 consider that, we'd love to have you come up.

15 The Geysers is the world's largest
16 geothermal generating facility, largest single
17 facility. In 1987 at the peak of Geyser's
18 generation, the 21 power plants had an annualized
19 capacity of 1,550 megawatts; by 1999, the
20 production at the Geysers had climbed to an
21 annualized capacity of 856, and at that time was
22 indicating about a four percent decline per year.
23 At the same year, Calpine completed its purchase
24 of 15 of the current operating 18 power plants.
25 We're very proud of the work we've done to arrest

1 the decline and stabilize production. With very
2 high availability and unpredictability of
3 operation, we regularly produce six million
4 megawatt hours a year, which is currently about
5 18 percent of the delivered green energy in the
6 state. We've done this through a better
7 understanding and management of the geothermal
8 resource, a more efficient use of steam through a
9 program of upgrading and replacing our turbines,
10 ancillary equipment and pipeline facilities, and
11 groundbreaking public/private partnerships with
12 the City of Santa Rosa and Lake County to take
13 approximately 20 million gallons a day of treated
14 wastewater, pump it up to the resource, and re-
15 inject it at depths of 8,000 to 12,000 feet to
16 recharge the resource.

17 These wastewater injection projects were
18 aided in the early days by CEC grants. We
19 brought various materials today for background on
20 that. We at Calpine believe that the Geysers is
21 truly a California marvel. As Californians,
22 we're lucky to have the predictable low
23 greenhouse gas source of energy, more than just a
24 renewable resource, the Geyser serves as a local
25 reliability and resource adequacy function.

1 As the state moves ahead with goals to
2 reduce its carbon footprint, the Geysers will be
3 a significant resource for years to come.
4 Importantly, while the Geysers have traditionally
5 been operated as a baseload facility, it can and
6 frequently does offer significant flexibility.
7 In 2013, we had 49 instances of CAISO-related
8 curtailments totaling as much as 9,100 megawatts
9 of reduced production. During these
10 curtailments, we've reduced our operating
11 capacity by as much as 240 megawatts from our
12 nameplate of 725. I see my time is up. I did
13 have a couple more things to say about our
14 program. It's going to be modeling at first and
15 then validation of the modeling to test the
16 various effects on the resource and on our
17 pipelines, and then finally an evaluation of what
18 the cost and the risks are associated with that
19 so we can determine what would be the proper
20 amount of electricity to back down from our top
21 load position. We think through doing this we
22 can find the right way to operate the Geysers to
23 the optimum for the citizens of California and be
24 able to be flexible enough and also sustain the
25 Geysers as a valuable resource. So thank you for

1 your attention.

2 COMMISSIONER DOUGLAS: Well, thank you
3 for your comments. And I just had one brief
4 question. I think this is really exciting and
5 there's a real opportunity for California in
6 being able to achieve more flexible operation at
7 the Geysers, and no doubt there will be lessons
8 learned from this that can be applied or at least
9 applied towards learning how to do the same in
10 other resource areas like the Salton Sea. You
11 know, one question I have for you is whether you
12 are also looking at the possibility of
13 integrating any storage at the Geysers, or what
14 that might take either in this proposal, or more
15 generally?

16 MR. URBANK: We didn't include storage
17 consideration in this proposal, but we are
18 independently from that considering storage
19 options because we have so much transmission
20 capacity, excess capacity in and out of the
21 Geysers, and we have a lot of space -- not a lot
22 of level space, but we do have a lot of space
23 that we control the security and the access to,
24 that we could potentially site storage
25 facilities.

1 COMMISSIONER DOUGLAS: You know, that
2 sounds pretty promising. What do you see as some
3 of the storage opportunities at the Geysers?

4 MR. URBANK: Oh, primarily batteries.

5 COMMISSIONER DOUGLAS: Uh-huh. Okay,
6 good. Any other questions? Great, well, thank
7 you very much.

8 MR. URBANK: Thank you.

9 COMMISSIONER DOUGLAS: All right, I've
10 got a card from Gary Matthews, Vice Chancellor,
11 UCSD.

12 MR. MATTHEWS: Good afternoon,
13 Commissioners. It's an honor for me to be here
14 with you. Thank you so much for your receptivity
15 to our proposal. Solar forecasting will be, we
16 believe, great for the State of California, as
17 well as the nation. Most importantly, I want to
18 thank you for the collaboration that we've
19 developed. As you can see by our partnerships
20 with South Coast and other higher education
21 units, we are committed to providing the very
22 best to the State of California and most
23 importantly addressing its energy needs. We have
24 a very robust program on the campus that focuses
25 on lab to market. Many in the academic world are

1 accused of being too theoretical, and we're by
2 far not that, we are very practical, we've got a
3 very advanced Microgrid on the campus which we
4 have, I believe, shown at least one or two of
5 you, and we're very happy to host other projects
6 and participate in collaborative programs. We
7 believe partnerships are really the way forward.
8 I've had a great opportunity in my lifetime and
9 created work in a different state, I won't say
10 which one, but it's certainly not as progressive
11 as we are in California, and I think your efforts
12 make a major difference. So my time, I will not
13 exceed it, and I really do want to thank you for
14 the opportunity to address you.

15 COMMISSIONER DOUGLAS: Well, thank you
16 for being here. Commissioner Scott.

17 COMMISSIONER SCOTT: Thank you very much
18 for being here. I also just wanted to pass along
19 that I saw Matt Miyasato this morning from South
20 Coast Air Quality Management District, and he
21 wanted us to note his support for this project,
22 as well.

23 COMMISSIONER DOUGLAS: Great.

24 MR. MATTHEWS: Thank you.

25 COMMISSIONER DOUGLAS: Well, thanks for

1 your work.

2 COMMISSIONER MCALLISTER: I'll just say
3 thanks to UCSD and really, you know, so much
4 stuff going on in San Diego generally at some of
5 the other institutions around, as well, but
6 there's such a good node of activity and
7 innovation there and UCSD really, having lived
8 down there for a number of years and worked with
9 Byron and others there, and really seen the
10 innovation that you all bring, and the mindset,
11 it's really special. And you know, you're tucked
12 down there south of LA and kind of a little bit
13 out of the way, but I think that breeds maybe
14 invention of some sort. So congratulations, I'm
15 looking forward to seeing how your projects go
16 forward.

17 And then I'll just note the forecasting
18 issue is just such an identified need, it's
19 really good to see some different ways of
20 approaching that and to figure out how to make
21 renewables, understand them in a way that the
22 Grid can really optimize the use of. So that's
23 good stuff.

24 MR. MATTHEWS: Thank you.

25 COMMISSIONER DOUGLAS: Great, thank you.

1 MR. MATTHEWS: Thank you.

2 COMMISSIONER DOUGLAS: I've also got a
3 card from Byron Washom, Director, UCSD.

4 MR. WASHOM: Thank you very much and I'll
5 make this brief, as well. I want to thank you
6 very much for making solar forecasting in the
7 front end of the EPIC Program because, as
8 Commissioner McAllister just pointed out, the
9 importance of it, and mark my words, solar
10 forecasting will change every single algorithm of
11 charge and discharge of a solar system and an
12 energy storage system. It will change the sizing
13 and the chemistry of every single solar
14 integrated energy storage system, and going on
15 and playing in the arbitrage market in the
16 forecasting, it's an extremely important
17 technology that has millions and millions of
18 dollars of implications in operations.

19 The other thing I'd like to point out,
20 and Commissioner McAllister also made mention of
21 it, and that is our unique expansion of the U.C.
22 San Diego program. We're pleased that South
23 Coast Air Quality Management District is a part
24 of this program, as well as other pending
25 programs and future programs. Also, our

1 annexation of LA/Orange County will also include
2 the Southern California Association of
3 Governments will actually be a member of our
4 team, and they will be forming a member to
5 megaphone the results of our technology and our
6 programs out to seven Southern California
7 Counties and 119 Municipalities in real time, and
8 that is unprecedented for us tucked away down in
9 San Diego. Thank you very much.

10 COMMISSIONER DOUGLAS: Thank you very
11 much. Thanks for being here. Are there other
12 comments on any of these items under Item 13?
13 Great, well, I will start with some high level
14 comments.

15 I will just say that obviously we're at a
16 point in the state where we are moving very
17 rapidly towards achieving the 33 percent RPS,
18 we're on target, we've got a lot of renewable
19 energy generation on line and more coming in on
20 line, and it's really exciting to see these kind
21 of proposals because they are very relevant to
22 the issues California is confronting and
23 grappling with and working to effectively deal
24 with going forward. I mean, all of this, from
25 the work of the Geysers, the forecasting, and the

1 storage systems and more, it's exciting to see
2 this going forward. I think it's extremely
3 relevant. So I'm really happy to see this. Are
4 there any other comments from the Dais?

5 COMMISSIONER HOCHSCHILD: Yeah, I would
6 just echo that. I think this represents the sort
7 of second phase of innovation, that the first is
8 really getting the cost of renewable technologies
9 down, this is more about how to extract more
10 value out of the systems that are there, and how
11 to help the Grid work better and people to plan
12 better for the resources that we have. We are
13 blessed, I mentioned earlier today, to be the
14 Saudi Arabia of geothermal, but you could also
15 make the same case with the Saudi Arabia of wind
16 and solar, and you know, the second part of that
17 deal is really being smart about how we plan and
18 integrate those resources. So I'm very excited
19 and, Laurie, once again, I just want to thank you
20 and your team for doing spectacular work. Keep
21 up the good job.

22 COMMISSIONER SCOTT: I'll just echo the
23 thanks to Laurie and her team for the excellent
24 work that you do. Thank you for that.

25 COMMISSIONER MCALLISTER: And I was just

1 out in D.C. for a week, mostly for work, but also
2 for a little bit of tourism and so I'm on kind of
3 an Abe Lincoln high right now, but be that as it
4 may, you know, being in the middle of Winter in
5 D.C. is sort of you get a feel for what it was
6 like to trudge around during the Revolutionary
7 War or something, I don't know, but it felt
8 pretty far from California, the discussion there,
9 I have to say, as the Congress kind of gets
10 itself girded to not do much, apparently. But
11 the reason I bring it up is that people are
12 looking to what we do in California out there,
13 and they're jealous because we actually are doing
14 stuff. We've got \$330 million in R&D that our
15 state can target at good investments that are
16 going to reap huge benefits down the road. And
17 they all know that out there, the other states
18 know that and the Federal Government certainly
19 knows that. And they're looking to us for
20 leadership, and so these projects, you know, one
21 trench of many that are going to shape the
22 marketplace. And you know, as Commissioner
23 Hochschild said, we're pushing the cutting edge
24 and we're doing it proactively and with
25 determination, and I think this is a really --

1 there are a lot of eyes both in the state and
2 across the nation that are looking at this, and I
3 want to just express my appreciation for your
4 leadership and your intentionality in the way
5 that you and your staff go about this. So thank
6 you.

7 COMMISSIONER SCOTT: I'll move Item 13.

8 COMMISSIONER HOCHSCHILD: Second.

9 COMMISSIONER DOUGLAS: All in favor?

10 (Ayes.) Item 13 is approved unanimously.

11 Thank you.

12 MS. TEN HOPE: Thank you.

13 COMMISSIONER DOUGLAS: Item 14,
14 University of California, Irvine. Proposed
15 Resolution approving a \$4,999 co-sponsorship in
16 the use of the Energy Commission's name and logo
17 for the 2015 International Colloquium on
18 Environmentally Preferred Advanced Power
19 Generation Clean Energy Conference hosted by U.C.
20 Irvine. Kevin Uy.

21 MR. UY: Yes. Good afternoon,
22 Commissioners. My name is Kevin Uy from the
23 Energy Generation Research Office in the Energy
24 Research and Development Division. This item is
25 for possible approval of a \$4,999 co-sponsorship

1 and use of the Energy Commission's name and logo
2 for the 2015 International Colloquium on
3 Environmentally Preferred Advanced Power
4 Generation, also known as ICEPAPG, Clean Energy
5 Conference, which is hosted by U.C. Irvine in
6 collaboration with the Department of Energy.

7 The ICEPAPG Conference addresses many
8 issues at the forefront of energy research and
9 development. California's energy future needs to
10 include distributed generation of efficient and
11 renewable power sources. The Grid will need to
12 adapt to handle intermittent renewable resources
13 and Electric Vehicle charging, among many other
14 things. The ICEPAPG Conference provides a venue
15 to discuss the developments, directions and
16 opportunities of a number of technologies and
17 strategies such as distributed generation,
18 combined heat and power technologies, Demand
19 Response, Energy Storage, and many other emerging
20 technologies.

21 The 2015 ICEPAPG Conference is titled
22 "Sustainable Power Generation, Energy
23 Utilization, and Grid Ramifications." The
24 discussion will include renewable power
25 generation techniques, efficient energy use, and

1 how to adapt the Grid to the challenges brought
2 about by these technologies.

3 The target audience is the Renewable
4 Energy community and Advanced Power Generation
5 innovators, including utilities, national labs,
6 engineering and technology companies, government
7 entities, and Universities from several fields,
8 including fuel cells, solar, wind, distributed
9 generation, and air quality. Previous attendees
10 include GE, Fuel Cell Energy, Ballard Power
11 Systems, Siemens, and the Department of Energy.
12 Typical co-sponsors for the event include the
13 Department of Energy, South Coast Air Quality
14 Management District, Toyota, Fuel Cell Energy,
15 and the Energy Commission, who has sponsored the
16 conference two times in the past.

17 The Conference will provide a venue for
18 Energy Commission funded Advanced Generation
19 Projects to present their results and leverage
20 reviews from experts in attendance.
21 Collaboration with other government entities,
22 universities, and technology leaders will help
23 the Energy Commission avoid duplication of
24 research and aid in gathering information on the
25 most pressing research and development needs.

1 The Conference will be held on the U.C.
2 Irvine campus from March 23rd to March 24th,
3 2015.

4 COMMISSIONER DOUGLAS: Great. Thank you
5 very much. Comments or questions, Commissioners?
6 Do we have a motion?

7 COMMISSIONER MCALLISTER: I'll move the
8 item.

9 COMMISSIONER HOCHSCHILD: Second.

10 COMMISSIONER DOUGLAS: All in favor?

11 (Ayes.) The item is approved. Thank you
12 very much.

13 COMMISSIONER DOUGLAS: Item 15, Monterey
14 Peninsula Unified School District. Proposed
15 resolution approving Agreement 019-14-ECG with
16 Monterey Peninsula Unified School District for a
17 \$3 million loan at zero percent interest to
18 install solar photovoltaic at five sites. Cheng,
19 go ahead.

20 MR. MOUA: Thank you and good afternoon,
21 Commissioners. My name is Cheng Moua and I'm
22 with the Efficiency Division, Local Assistance
23 and Financing Office. This item is a request for
24 the approval of an ECAA-ED loan with an amount of
25 \$3 million for the Monterey Peninsula Unified

1 School District in Monterey, California. The
2 District has requested this loan to fund a solar
3 PV project which includes installing a total of
4 820.6 kilowatts of solar PV at four schools and
5 their transportation and maintenance facility.

6 Within the last few years, the District
7 has performed various lighting retrofits and de-
8 lamping, HVAC upgrades and implemented energy
9 conservation guidelines for their staff. The
10 District also previously applied and received an
11 ECAA loan of \$2.7 million from the Energy
12 Commission in early 2013 to install solar PV at
13 four other schools. Those solar PV systems were
14 completed in March 2014 and are currently
15 successfully generating power.

16 With this request, the District plans to
17 install an additional 820 kilowatts of solar PV
18 which is estimated to produce over 1.1 million
19 kilowatt hours annually, saving approximately
20 \$243,000 in energy costs per year.

21 The total project cost is approximately
22 \$3.6 million. This project will also take
23 advantage of California's Solar Initiative
24 Program, which provides performance-based
25 incentives for the first five years of

1 production. The simple payback for this project
2 is 12.3 years based on the \$3 million loan amount
3 and the interest rate is zero percent.

4 Staff has determined that this loan
5 request complies with all program requirements
6 and I'm here today to seek your approval. Thank
7 you.

8 COMMISSIONER DOUGLAS: Thank you very
9 much. Commissioners, questions or comments?
10 Let's see, we've got Rick Brown in the audience,
11 Terra Verde. Please come forward.

12 MR. BROWN: Thank you, Madam Commissioner
13 and Commissioners, and thanks for that report.
14 This is a project that Terra Verde has been
15 involved with. This is going to be one of the
16 last projects that actually gets PG&E rebates,
17 those have been gone for a while, but they have
18 those rebate reservations that they're going to
19 execute. We have been providing asset management
20 reporting services on their first set of projects
21 and since commissioning those projects have
22 performed to the spec and we think that these
23 additional sites are going to just add to the
24 portfolio in a positive way, so I urge your
25 positive vote on this loan recommendation. Thank

1 you.

2 COMMISSIONER DOUGLAS: All right, well,
3 thank you very much. Thanks for your work on
4 this project. Comments or questions?

5 COMMISSIONER HOCHSCHILD: Again, is there
6 any public information kiosk associated with
7 this?

8 MR. BROWN: The district did not spec that
9 as part of their original RFP. The District has
10 a very robust energy management program and they
11 do actually use the web link that we have with
12 their EMS program, and so those are available,
13 but they don't have a dedicated kiosk of any
14 particular sort.

15 COMMISSIONER HOCHSCHILD: I mean, I know
16 I've repeated myself at this point, but I think,
17 you know, the problem with efficiency and rooftop
18 solar is that you don't see it, and I think part
19 of what we should be trying to do is raise public
20 awareness about the benefits it's providing.

21 MR. BROWN: Absolutely.

22 COMMISSIONER HOCHSCHILD: And not just
23 you, but in general as we proceed with these
24 projects it's something I would really like to
25 see us focus on more deliberately and, you know,

1 just make that case to the public, to the
2 parents, the alumnae that come to the school,
3 that's green.

4 MR. BROWN: Not to be flip, but in this
5 particular case, these are pretty much shade
6 structures in most cases and actually at Seaside
7 High School, you can see the solar panels from
8 Highway 1.

9 COMMISSIONER HOCHSCHILD: There you go.

10 MR. BROWN: But I agree and we lay that
11 out as an option and then the school makes the
12 choice as to what they want to do and they
13 decided not to spend the money on that, so what
14 can I tell you?

15 COMMISSIONER HOCHSCHILD: Right.

16 COMMISSIONER MCALLISTER: So Rick, I'm
17 not going to let you get out of here and make
18 your meeting in San Francisco.

19 MR. BROWN: Yeah.

20 COMMISSIONER MCALLISTER: So could you
21 describe the school a little bit and, you know,
22 this is for solar, but give it a little context
23 because we keep having this discussion about
24 efficiency and solar, and I keep trying to keep
25 everybody on board with they're all a part of the

1 same integrated project, right?

2 MR. BROWN: Yeah, and this is one of
3 those Districts that actually has leaned forward
4 somewhat, I mean, they passed a Bond about three
5 years ago and that first project had some Bond
6 money, had CEC loan money, and in that Bond
7 program they had invested already a lot of money
8 and lighting upgrades, they've done a lot of
9 building envelope upgrades which is a little
10 difficult in Monterey because you've got the
11 historic issues, but they have put money into new
12 windows, roofing, new HVAC, I mean, they still
13 have a long way to go. This was a district that
14 was way behind and the Bond Measure that they
15 passed had a big piece of modernization around
16 energy efficiency, and they did bring on an
17 Energy Manager, a full time Energy Manager who
18 really has done a great job of working on the
19 behavioral aspects, and so we've worked closely
20 with him because, when we actually did our sizing
21 of our first project, we knew that they had just
22 brought on the Energy Manager, they had the Bond
23 Program, so around that sizing issue we actually
24 sized it less than what we would have given the
25 load profile, under the assumption that the

1 energy conservation measures were going to bring
2 the load down, the demand management activities
3 were going to bring it down, and the good news is
4 that we got pretty close. So this is a District
5 that has leaned forward in that respect, didn't
6 do solar, and then conservation as an
7 afterthought. But you're right, there are a lot
8 of Districts where solar is sexy, I mean, it's
9 not a problem of the public not knowing about it,
10 and we have a harder time convincing some of
11 those Districts than this one that they need to
12 think about the loading order. So this one was a
13 good one.

14 COMMISSIONER MCALLISTER: Well, it would
15 be interesting to see what that educational
16 process could be, right? Because there's really
17 nothing like walking through a building to
18 understand all the co-benefits of making that
19 shell better and making it more comfortable and
20 what a good HVAC and good windows actually mean
21 in practice. I mean, there are similar issues
22 with solar, but solar is generally pretty much
23 more straightforward, right? So I think, you
24 know, if you have a couple of School Districts
25 over, you know, put them in a van and take them

1 up to Monterey and show them an updated building,
2 right?

3 MR. BROWN: And we do - the issue is
4 really the staff get it in most cases, the
5 Superintendents, and so forth, it's getting some
6 of the School Boards because, for them, as
7 opposed to what David was saying, solar panels
8 are really visible, and it's something they can
9 point to people and say, "Look what we did." An
10 HVAC Unit? It's stuck up on the roof or behind a
11 wall, and so it's harder to get that message
12 across.

13 COMMISSIONER MCALLISTER: Some of us
14 think that's pretty cool, but maybe that's not
15 normal.

16 MR. BROWN: I'm not saying it's not cool,
17 it's just the public perception and visibility
18 issue that we are challenged by in trying to
19 convey that message. But you're right, it's part
20 of the package and that's why, you know, it's
21 unfortunate that the CSI Program which said you
22 had to account for energy conservation didn't
23 actually require it, you know, because we lost a
24 lot of opportunity there, I think, but that's
25 water under the bridge.

1 COMMISSIONER MCALLISTER: Yeah, that's a
2 while back. Great, thanks a lot. What number
3 are we on here?

4 COMMISSIONER DOUGLAS: Fifteen.

5 COMMISSIONER MCALLISTER: I'll move Item
6 15.

7 COMMISSIONER HOCHSCHILD: Second.

8 COMMISSIONER DOUGLAS: All in favor?

9 (Ayes.) Item 15 is approved unanimously.
10 Thank you.

11 COMMISSIONER DOUGLAS: Item 16, Paulsson,
12 Inc. Proposed resolution approving Agreement
13 GEO-14-001 with Paulsson, Inc. for an \$883,002
14 grant to build and field test a large aperture
15 borehole seismic vector array. And we'll hear
16 more about that from Cheryl Closson on staff.
17 Please go ahead.

18 MS. CLOSSON: Good afternoon,
19 Commissioners. My name is Cheryl Closson and I'm
20 with the Renewable Energy Division. And as you
21 noted, this item is for approval of a grant to
22 Paulsson, Inc. from the Energy Commission's
23 Geothermal Grant and Loan Program, which is also
24 known as the GRDA Program. Under this agreement,
25 Paulsson will be building a fiber optic seismic

1 sensor tool that can be deployed in both vertical
2 and deviated geothermal wells, and withstand
3 temperatures up to 482 degrees Fahrenheit and
4 pressures up to 20,000 pounds per square inch.

5 The benefit of this fiber optic system is
6 that existing electronic seismic sensors are
7 unable to operate in the extreme environments
8 found in high temperature geothermal wells, and
9 are unable to provide the high frequency data
10 necessary for high resolution seismic imaging.
11 Paulsson is partnering with researchers from
12 Lawrence Berkeley National Laboratory and Calpine
13 Corporation to conduct field tests of the fiber
14 optic seismic tool in two geothermal wells at the
15 Geysers geothermal area in Sonoma and Lake
16 Counties.

17 In advance of testing, they will also
18 build a database of existing microseismic data
19 for the area that will be used to plan the field
20 tests and correlate data with geothermal
21 injection and production history in the area.
22 The data generated by the field tests will then
23 be used to generate highly accurate three-
24 dimensional seismic models and maps, maps of the
25 subsurface geology around one well, as well as

1 maps of faults and fractures that can act as
2 conduits for geothermal fluids. The data can
3 also be used to assess the effects of injection
4 in production of the fluids in different areas of
5 the geothermal field.

6 Results of the project will be presented
7 at scientific meetings and published in reports
8 available to the public.

9 Lastly, the Geothermal Grant Loan
10 Programs authorizing statute requires that
11 projects approved by the Energy Commission be
12 submitted for a 30-day comment period to the
13 Department of Finance, the Legislative Analyst,
14 and the Joint Legislative Budget Committee when
15 the Legislature is in session, before we execute
16 the agreement. Therefore, if the agreement is
17 approved today, staff will send notice of the
18 approval to the Department of Finance and the
19 Legislative Analyst, as directed by the statute,
20 and then execute the agreement after the
21 requisite 30-day comment period.

22 I ask for your approval of this item and
23 I'm available to answer any questions you might
24 have.

25 COMMISSIONER DOUGLAS: Thank you very

1 much. Questions, Commissioners?

2 COMMISSIONER HOCHSCHILD: I would just
3 note this is part of our \$5.8 million GRDA
4 package into the newly streamlined rules that
5 Cheryl crafted and we approved earlier this year.
6 So I would move the item.

7 COMMISSIONER SCOTT: Second.

8 COMMISSIONER DOUGLAS: All in favor?

9 (Ayes.) This item is approved
10 unanimously. Thank you, and thanks for making
11 the link -- now I remember the item with the
12 newly crafted rules.

13 All right, very good. Let's go on to
14 Item 17, Air Products and Chemicals, Inc.
15 Proposed resolution approving Agreement ARV-14-
16 030 with Air Products and Chemicals, Inc. for a
17 \$30,000 grant for the location -- I won't read
18 the location -- Diamond Bar -- to cover operation
19 and maintenance costs for existing hydrogen
20 refueling equipment and for some data gathering.
21 Ms. Williams.

22 MS. WILLIAMS: Good afternoon,
23 Commissioners. My name is Sarah Williams with
24 the Emerging Fuels and Technology Office in the
25 Fuels and Transportation Division. I'm bringing

1 this grant to you today, this is the latest
2 Operation and Maintenance Grant under the
3 Hydrogen Refueling Infrastructure Solicitation
4 PON 13607.

5 This grant supports the operation of the
6 Diamond Bar South Coast Air Quality Management
7 District Hydrogen Station. As we discussed in
8 the May Business Meeting, these stations need
9 support while the vehicles are rolling out. This
10 station has recently become operational.

11 Staff requests that the Commission
12 support approval of the proposed resolution,
13 approving Agreement ARV--14-030 with Air Products
14 and Chemicals, Inc. for a \$300,000 grant, which
15 is \$100,000 per year for three years, to cover
16 operation and maintenance costs for the hydrogen
17 refueling station and gather data about the use
18 and maintenance of the station.

19 I'm here to answer any questions.

20 COMMISSIONER DOUGLAS: Thank you very
21 much. Questions?

22 COMMISSIONER SCOTT: No questions, but I
23 would just underscore what Sarah mentioned about
24 in the May Business talking about the support
25 that the stations need while we wait for the

1 number of cars to grow and the Commission, not
2 this summer, but last summer hosted a series of
3 workshops to talk with the OEMs, the fuel
4 providers, and other folks about what types of
5 things we need to do to kind of help us get
6 across that Valley of Death as we're getting the
7 Fuel Cell Vehicles out and the stations up and
8 running, so this is part of that.

9 COMMISSIONER HOCHSCHILD: How many
10 hydrogen vehicles do we have in California today?

11 COMMISSIONER SCOTT: Air Resources Board
12 report, if I'm remembering right, there's about
13 227 or so that are registered right now, give or
14 take a few. I'll double-check that number. They
15 anticipate about 6,600 in the next couple years
16 and then that will continue to grow. We
17 anticipate, as some of the stations actually get
18 built and come on line that we'll see those
19 numbers of cars jump commensurately.

20 COMMISSIONER HOCHSCHILD: Uh-huh.

21 COMMISSIONER SCOTT: So I'll move
22 approval.

23 COMMISSIONER HOCHSCHILD: Second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) This item is approved

1 unanimously. Thank you very much.

2 COMMISSIONER DOUGLAS: Item 18, County of
3 Los Angeles. Proposed resolution approving
4 Agreement ARV-14-031 with the County of Los
5 Angeles for a \$96,307 grant to deploy 16 Level 2
6 electric vehicle chargers at a county parking
7 garage. Mr. Orenberg.

8 MR. ORENBERG: Good afternoon,
9 Commissioners. My name is Jacob Orenberg and I'm
10 the Project Manager for this proposed grant to
11 the County of Los Angeles. This grant will use
12 \$96,307 of Energy Commission funds to purchase
13 and install 16 Level 2 Electric Vehicle Charging
14 Ports at a parking garage. The parking garage
15 serves a County Government workplace and is
16 publicly accessible. This project was
17 recommended for funding in the July 3, 2014
18 Revised Notice of Proposed Awards for Grant
19 Solicitation PON-13-606. Staff requests approval
20 of Agenda Item 18.

21 COMMISSIONER DOUGLAS: Thank you very
22 much. Questions or comments, Commissioners, or a
23 motion?

24 COMMISSIONER SCOTT: I'll move approval
25 of Agenda Item 18.

1 COMMISSIONER HOCHSHILD: Second.

2 COMMISSIONER DOUGLAS: All in favor?

3 (Ayes.) That item is approved

4 unanimously. Thank you.

5 COMMISSIONER DOUGLAS: Item 19, Colony
6 Energy Partners - Tulare LLC. Proposed
7 resolution approving Agreement ARV-14-029 with
8 Colony Energy Partners - Tulare for a \$5 million
9 grant to construct a digester. Mr. Garcia.

10 MR. GARCIA: Good afternoon,
11 Commissioners. I'm Juan Garcia from the Fuels
12 and Transportation Division, Emerging Fuels and
13 Technology Office. I'm presenting the possible
14 approval of a resolution approving a \$5 million
15 grant to Colony Energy to construct a digesting
16 facility, as well as a pipeline and
17 interconnection from the digester facility to the
18 Southern California Gas Company's natural gas
19 pipeline.

20 This facility will create electric and
21 thermal energy to be used on site to allow the
22 facility to be self-sustaining. The facility
23 will also produce renewable pipeline grade
24 biomethane gas by digesting a mixture of local
25 wastes. The biomethane gas will then be inserted

1 into the natural gas grid via SoCal Gas's Natural
2 Gas Pipeline, and it will be used for
3 transportation.

4 Once fully operational, the facility will
5 annually produce 400 million standard cubic feet
6 of renewable biomethane gas, resulting in the
7 displacement of 2.87 million diesel gallon
8 equivalents per year.

9 Staff is asking for two actions by the
10 Commission today, first to concur with staff's
11 finding that the proposed project as revised will
12 have no significant environmental impacts and,
13 second, to approve the proposed resolution
14 approving the proposed agreement. Thank you.

15 COMMISSIONER DOUGLAS: Thank you very
16 much. Questions or comments, Commissioners?

17 COMMISSIONER MCALLISTER: Would you talk
18 about the arrangement for making sure that the
19 gas is used for transportation if it's going into
20 their pipeline?

21 MR. GARCIA: So what's written into the
22 scope of work is a requirement for the recipient
23 to provide the agreements that it has with the
24 CNG users, so there's no guarantee that the exact
25 volume of gas that's put into the pipeline is

1 used. At some point it's verified that the
2 volume that they put in is pulled out for
3 transportation uses.

4 COMMISSIONER MCALLISTER: Great, so just
5 a quick follow-up, then. So in terms of the
6 challenges that we've heard from other projects,
7 more municipal landfill gas, but this probably
8 has more pure organic matter, it sounds like, but
9 were there any hurdles that the proposal kind of
10 had to work through in terms of how they're going
11 to clean the gas up to make it suitable to inject
12 into the pipeline?

13 MR. GARCIA: They face many challenges
14 and requirements to get the gas purified, but
15 they suspect no problems doing so.

16 COMMISSIONER MCALLISTER: This is SoCal
17 Gas sort of working with them to impose the right
18 kind of standards? Or -

19 MR. GARCIA: The gas qualities, yes. So
20 they already have an Interconnection Agreement
21 with SoCal.

22 COMMISSIONER MCALLISTER: Oh, great.
23 Thanks.

24 COMMISSIONER DOUGLAS: I'll just comment
25 briefly that this is a really exciting project.

1 As you know, Commissioner McAllister, these are
2 not easy to get off the ground and there are a
3 lot of challenges in front of a project like
4 this, and yet there is so much potential to both
5 do good energy projects, but also in an
6 environmentally sustainable way and in a way that
7 advances multiple other benefits, as well. So
8 I'm really pleased to see this. It's a really
9 interesting and valuable project, I think. Are
10 there any other comments or a motion on this
11 item?

12 COMMISSIONER MCALLISTER: So first motion
13 is to declare no environmental impact? Is that
14 right? Okay. And then I will move the item
15 itself, Item 19.

16 COMMISSIONER SCOTT: Second.

17 COMMISSIONER DOUGLAS: All in favor?

18 (Ayes.) Item 19 is approved. Thank you
19 very much.

20 COMMISSIONER DOUGLAS: Item 20, the
21 Regents of the University of California, Irvine.
22 Proposed resolution approving Amendment 2 to
23 Contract 600-10-002 with the Regents of the
24 University of California on behalf of the Irvine
25 campus to extend the term of the contract for

1 three years, revise the scope of work, and
2 augment the budget. Mr. Garcia.

3 MR. GARCIA: Good afternoon again,
4 Commissioners. I'm presenting the possible
5 approval of a resolution approving a second
6 amendment to Contract 600-10-002 with the Regents
7 of the University of California, Irvine. The
8 proposed amendment will augment the contract by
9 \$360,000, extend the contract by three years, and
10 then add tasks to the scope of work. The
11 amendment expands the scope and extends the term
12 of the contract to allow staff to utilize U.C.
13 Irvine's technical expertise and continued access
14 to their street model to support the Alternative
15 and Renewable Fuel and Vehicle Technology Program
16 future solicitations. This includes the planning
17 and evaluation of the early network of hydrogen
18 fueling stations, as well as refueling
19 infrastructure for other alternative fuels.

20 The amendment will also add new air
21 quality impact analyses related to diesel
22 particulate emissions which will develop
23 additional information on the public health
24 benefits associated with the investments of the
25 ARFVTP Program.

1 A provision of the original contract is
2 that the street model and user interface remain
3 on UCI's service for two years beyond the end of
4 the contract.

5 Staff is asking for two actions by the
6 Commission today, the first is to concur with
7 staff's finding that the proposed project is CEQA
8 exempt and, second, to approve the resolution
9 approving the proposed contract amendment. Thank
10 you.

11 COMMISSIONER DOUGLAS: Thank you very
12 much. Commissioners.

13 COMMISSIONER SCOTT: I will move this
14 item, so the concurrence and also to approve the
15 resolution.

16 COMMISSIONER HOCHSCHILD: Second.

17 COMMISSIONER DOUGLAS: All in favor?

18 (Ayes.) The item is approved. Thank you
19 very much.

20 MR. GARCIA: Thank you.

21 COMMISSIONER DOUGLAS: Now we are on to
22 Item 21, University of California, Berkeley.
23 Proposed resolution approving Agreement 800-14-
24 003 with the Regents of the University of
25 California on behalf of the Berkeley campus,

1 Energy Institute at Haas School of Business, for
2 a \$10,000 contract to co-sponsor the 2015 Power
3 Conference on Energy Research and Policy. Mr.
4 Jaske.

5 MR. JASKE: Commissioners, for the
6 record, Mike Jaske, Energy Assessment Division.
7 The 2015 Power Conference is going to be the 20th
8 of these that U.C. Berkeley has organized. Its
9 purpose basically is to bring together scholars
10 and practitioners from around the world, even,
11 not just the country because there's such a focus
12 on electricity markets and the experience in
13 markets is worldwide.

14 If the Energy Commission approves this
15 co-sponsorship, we will receive recognition in
16 the promotional materials and there will also be
17 a number of free registrations that allow
18 Commissioners or staff, anyone within the
19 Commission to attend.

20 Just on a personal note, I have been
21 attending these since about year 2000 and I find
22 them to be invaluable and I really think it's an
23 excellent opportunity for our staff to get a
24 broader horizon. We've had so much turnover
25 recently, I really think we should figure out

1 some means to encourage participation. I know
2 one year the PUC sent 30 people there just for
3 that very purpose, and even though it's a
4 conference and there are these gubernatorial
5 office issues about multiple people at
6 conferences, it's really just a priceless
7 opportunity and it's not that far away.

8 So I would ask your approval of this
9 item.

10 COMMISSIONER MCALLISTER: So I'll just
11 vouch for the tremendously high quality of the
12 presenters at this particular conference.

13 MR. JASKE: And discussions.

14 COMMISSIONER DOUGLAS: Thank you,
15 Commissioner McAllister. Do we have a motion on
16 this item?

17 COMMISSIONER MCALLISTER: Yes, we have a
18 motion. I will move the item.

19 COMMISSIONER HOCHSCHILD: Second.

20 COMMISSIONER DOUGLAS: All in favor?

21 (Ayes.) The item is approved
22 unanimously. Thank you, Mr. Jaske.

23 COMMISSIONER DOUGLAS: All right, so we
24 are on to the Minutes, Item 22, and I just
25 noticed that this says possible approval of the

1 November 24, 2014 Business Meeting Minutes, but I
2 believe it was November 17. So with that
3 clarification that this is the November 17th
4 Business Meeting Minutes we are approving, we've
5 got the correct Minutes and the background
6 materials. Do we have a motion?

7 COMMISSIONER SCOTT: I'll move approval
8 of the Minutes.

9 COMMISSIONER MCALLISTER: Second.

10 COMMISSIONER DOUGLAS: All in favor?

11 (Ayes.) The Minutes are approved.

12 COMMISSIONER DOUGLAS: And now we are on
13 to the Lead Commissioner or Presiding Member
14 Reports and, you know, we are going to do two
15 things with the reports today. This is the last
16 Business Meeting of the year, so we traditionally
17 do a bit of a year in review and thanks to staff,
18 and we would definitely like to do that, and
19 maybe we'll go around that and then very briefly,
20 if Commissioners have individual items to report
21 after the thank you's, we can do that.

22 So I really want to kick off with a
23 couple of the items that would be almost
24 certainly on Chair Weisenmiller's list if he were
25 here today; he is not here today, he is in China

1 helping advance our collaboration with China to
2 reduce greenhouse gas emissions and also increase
3 cooperation and coordination and trade
4 relationships in the Clean Energy area between
5 California and China.

6 One of the really interesting and
7 promising initiatives that the Energy Commission
8 has been involved in with the Governor's Office
9 leadership has been this increased collaboration
10 with China and Mexico in the GHG and in the
11 climate area. And so he's there now in China
12 meeting with Government officials, businesses,
13 investors interested in California-based energy
14 efficiency, consultants, service providers, and
15 product manufacturers that are doing business in
16 China.

17 We had today earlier the EPIC item and
18 the first items that have received funding under
19 EPIC, so that is obviously a really important
20 achievement and, you know, Laurie ten Hope, Eric
21 Stokes, Virginia Lieu, Mike Gravely, Elisha
22 Gutierrez, Pam Doughman and her team; on the
23 legal side, Ann Ward and Gabe Herrera, and I was
24 probably not comprehensive, but I know at least
25 them and probably many others deserve a lot of

1 thanks for that.

2 Also in the research area, the Energy
3 Commission led the development through the
4 Climate Action Team Research Working Group to
5 develop the first ever Statewide Climate Change
6 Research Plan which identifies climate change
7 research activities and priorities over the next
8 five years across multiple agencies, so that's
9 something that's been important and something we
10 knew we wanted to do, needed to do for some time,
11 and it's great to see that come to fruition, so
12 many thanks to, again, many people including
13 Guido Franco, David Staum, Susan Wilhelm, Sonya
14 Jaja and Laurie ten Hope.

15 And there's been a lot of work this year
16 due to the drought, so the Hydro Task Force has
17 been something that the Chair's Office has led,
18 and we've worked hard on, and many thanks to
19 Sylvia, of course, and Rob, and Jim Woodland,
20 Mark Pryor and others.

21 And let's see here, Southern California
22 Reliability Project, Mike Jaske and Lonna Wang,
23 again, a lot of work, a lot of interagency
24 coordination involved in these two efforts.
25 These two efforts are both really important in

1 terms of our role with the energy system and
2 reliability.

3 What else? Well, we joined the Air
4 Resources Board, the California Public Utilities
5 Commission, the CAISO, to support the U.S. EPA
6 proposed Clean Air Act Emission Performance
7 Standards for power plants. Melissa Jones and
8 Kristin Driscoll worked closely together and
9 worked hard on that item.

10 And we developed this year a much closer
11 strategic collaborative relationship with the
12 Advanced Research Project Agency in Energy, or
13 more widely known as ARPA-E. And this is a real
14 opportunity for us working with ARPA-E to help
15 advance energy science and investments in
16 innovative and transformative technologies. So
17 Laurie ten Hope, Grant Mack, in particular, and
18 others were really critical in bringing that to
19 fruition.

20 So moving more to some of the issue areas
21 where I've been focused, I also want to take this
22 opportunity to recognize the hard work and long
23 hours put in by Energy Commission staff and offer
24 my personal appreciation and thank you for that.
25 In 2014, I was the Lead Commissioner for Siting.

1 I've been assigned to every active siting and
2 amendment request committee this year and I've
3 continued to be very involved in issues of
4 compliance and enforcement, legal matters,
5 certain aspects of IEPR, Recovery Act and some
6 energy efficiency matters. I'm in my second term
7 as a Commissioner and I just want to say that I
8 have been impressed and continue to be impressed
9 with the work ethic and commitment and
10 professionalism among staff, and really the
11 commitment to mission that we find here.

12 In the Siting area, the Energy Commission
13 staff has an ongoing compliance monitoring
14 program for 116 existing operating power plants
15 throughout California. It's an important program
16 and we've been doing a lot of work internally to
17 just look at and improve and continue to get
18 better at how we implement that program. The
19 Siting Division continues to oversee construction
20 and regulatory compliance for four new solar
21 thermal power plants, which will generate 1,355
22 megawatts, and one gas-fired power plant which is
23 the Oakley Plant, which will generate 624
24 megawatts. Three of the four solar projects
25 achieved commercial operation this year, and the

1 Commission approved a technology change for one
2 plant from thermal parabolic trough to non-
3 thermal photovoltaic panel arrays this year.

4 The Commission approved one gas-fired
5 power plant replacement project with a capacity
6 of 939 megawatts and 22 amendments for certified
7 power plants with six staff approved project
8 modifications. So there's been a lot of workload
9 coming through the Siting Division. Staff also
10 worked on approximately 20 other amendments,
11 including three that had committees assigned to
12 them, and processed 11 requests for
13 investigation.

14 So I want to thank the Siting
15 Transmission and Environmental Protection staff
16 who worked on all of these amendments and the
17 compliance, and the new cases that have been
18 brought before us. Every siting case has
19 approximately 30 staff involved, including
20 project managers, engineers, biologists,
21 archaeologists, attorneys, and project managers.
22 These individuals rarely receive public
23 acknowledgment for their work, but it's very
24 important and so I'm happy to do that at least
25 here.

1 I want to thank Eileen Allen for her
2 dedication and expertise and commitment to our
3 siting process. It has been invaluable and I
4 think all of us feel that way to have an Advisor
5 with her depth of technical knowledge in siting
6 matters; her familiarity with the Siting Program,
7 available on the road, help all of us as we dig
8 into siting issues.

9 I'd like to thank the Hearing Officers,
10 Ken Celli, Susan Cochran, Paul Kramer and Raoul
11 Renaud, and their support staff, Darlene Burgess,
12 Cody Godthrite, and Maggie Read. And I want to
13 thank the Public Advisor, Alana Mathews, and her
14 staff, Blake Roberts who is no longer here, but
15 was, and did very nice work for us, Long Peng who
16 was on loan from Siting and has gone back to
17 siting, Laura Murphy for ensuring the full
18 participation of the public in our processes over
19 the past year.

20 And in the area, I guess probably
21 everyone here knows, I'm leading the effort on
22 the Desert Renewable Energy Conservation Plan,
23 that has been a huge effort, it's been going on
24 for about five years, I've probably had something
25 to report for the last four, but I think what I

1 want to report this time is that, well, first of
2 all it's a collaborative effort, it involves a
3 lot of agencies, Energy Commission, the Bureau of
4 Land Management, State and Federal Wildlife
5 Agency, State Lands Commission, Parks, Counties
6 in Desert, we've got a lot of stakeholders, we've
7 been doing consultation meetings, we've been
8 doing meetings with Tribes and moving into
9 Government to Government consultation in the near
10 future, and this is really important work. This
11 is going to have a lasting impact both on the
12 development of renewable energy generation in the
13 desert and also for conserving and protecting
14 fragile desert ecosystems over the long term,
15 even in the face of impacts on climate change.
16 And this is part of the work that's going to help
17 California reach its long-term climate goals
18 cost-effectively, on time, and maintaining
19 reliability in the state over the long-term, so
20 it's important work. We reached a major
21 milestone this year with the release of the Draft
22 Environmental Impact Report and Draft
23 Environmental Impact Statement on September 23rd
24 for public review and comment. That release was
25 followed by 11 public meetings in the Desert and

1 Sacramento, we've got a comment deadline coming
2 up early next year on February 23rd.

3 I want to thank the Energy Commission's
4 team who focused on DRECP basically day in and
5 day out, nights, weekends, holidays, and whenever
6 else needed: Scott Flint, Kristy Chew, Misa
7 Milliron, Paul Richins, Lori Sinsley, Mike Ward
8 and, again, I probably could read 10 more names,
9 but I think the day is long and I just want to
10 thank the DRECP team.

11 Earlier today the Energy Commission
12 adopted a Tribal Consultation Policy to help
13 ensure effective and early consultation between
14 the Energy Commission and Tribal Governments
15 during the course of considering and implementing
16 Commission actions. I want to thank Tom Gates
17 and Roger Johnson for their work in developing
18 this policy and for their work in doing some
19 really groundbreaking work for the Energy
20 Commission in developing, establishing and
21 maintaining a lot of very important new
22 relationships with Tribal Governments throughout
23 California.

24 Under Compliance Enforcement, I'd like to
25 thank Kourtney Vaccaro, she's the Commission's

1 Assistant Executive Director for Compliance
2 Assistance and Enforcement. This position helps
3 us ensure that we have a consistent approach to
4 compliance, assistance and enforcement across
5 different areas within the Energy Commission, for
6 example, Siting or Appliance Standards and more,
7 and she's really brought to this an incredible
8 work ethic and legal mind, and we're very lucky
9 to have her.

10 I'm going to defer to Commissioner
11 McAllister on covering Efficiency items, but I do
12 want to mention SB 454. These Regulations
13 implement enforcement authority over Appliance
14 Standards. We approved these at our November
15 Business Meeting and this is a really important
16 step forward in terms of being able to ensure
17 compliance with our Appliance Standards. So I'd
18 like to thank John Nuffer and Galen Lemei for
19 their work on this Regulation.

20 You know, Rob and Drew, of course,
21 deserve a lot of thanks. Jay Dickenson, or
22 Legislative Director, Lori Sinsley for Media and
23 Communications, Jeff Ogata for stepping up as
24 Chief Counsel, and my Advisors, Eli Harland, who
25 is now back doing research and development,

1 Jennifer Nelson, Christine Stora, and last but
2 maybe ought to be first, my Executive Assistant
3 Ollie Awolowo.

4 So I could have done more, but we could
5 have been here all night, too, so I'm going to
6 stop and I'm going to pass this along to
7 Commissioner McAllister.

8 COMMISSIONER MCALLISTER: Does anybody
9 else --

10 COMMISSIONER SCOTT: Well, this is great
11 and I think rather than kind of walking us
12 through each and every of the Alternative and
13 Renewable Fuel and Vehicle Technology Program
14 projects that we've approved this year, I just
15 kind of wanted to highlight some themes for you
16 all.

17 And, you know, this all goes back to the
18 importance of transforming our Transportation
19 System, right? And the Transportation sector is
20 40 percent of our greenhouse gasses, it's 80
21 percent of the nitrogen oxides that form smog
22 which is harmful to public health, and 95 percent
23 of the diesel particulate matter, which is again
24 harmful for the public health. And so the
25 transformation that we make, the investments that

1 we are making with our AB 8 program are just
2 really important.

3 You know, we had an opportunity to
4 approve some projects, including some that we
5 just did today that are going to help accelerate
6 low carbon fuels and their ability to get into
7 the market, to encourage the infrastructure for
8 Plug-In Electric Vehicles, and also for Hydrogen
9 Fuel Cell Electric Vehicles, and today actually
10 we just had an event in West Sacramento, it's the
11 first retail hydrogen station open in the
12 Sacramento area, and it's the tenth in a network
13 that the Energy Commission has worked to fund,
14 and I think you all remember in July we approved
15 \$46 million to go to 13 stations up north, 15
16 stations down south, and a mobile Refueler, and
17 this is kind of the beginning of the wave of
18 these projects getting running and built, and
19 that's going to help us make that transformation
20 that we need to make in order to meet our climate
21 goals, our clean air goals, our energy security
22 goals.

23 We've also completed the Investment Plan
24 and of course that goes along with this, and we
25 had a fun Ride and Drive and a vehicle display,

1 and we had chargers out there and all kinds of
2 things that kind of went along with that. When
3 we did the hydrogen, we had the Hydrogen Fuel
4 Cell cars out there for all of us to kind of take
5 a look at and see and also ride and drive.

6 We've spurred innovation in the medium-
7 and heavy-duty sectors, so folks are looking at
8 both fuel cells and battery electrics in that
9 space. We have hosted a series of Alternative
10 and Renewable Fuel and Vehicle Technology Program
11 101s around the state, and this is really to let
12 more people know about the program and also how
13 to apply for the program. And so we're trying to
14 do a lot broader outreach so that we can have a
15 broader set of people who are interested and
16 engaged in what the Energy Commission is doing.
17 And my thanks to Alana and her team for helping
18 us as we put that together.

19 Let's see, what else have we done? We
20 have done some updating of our web page of our
21 maps, we put the Clean Transportation tour up so
22 that you can actually see some examples of the
23 projects, and so for that I'd really like to
24 thank our Media team and our Web and Cartography
25 teams, Carole Greenwood, Jon Mathews, Fui

1 Fong-Thong and Terry Rose for really helping us
2 to do that.

3 We, Commissioner Douglas and I, had a
4 good fun time working on the 2014 Integrated
5 Energy Policy Report Update. I really enjoyed
6 the opportunity to focus on transportation, and
7 we had a lot of great people come and talk to us
8 about transportation, you know, Senator Pavley,
9 Assembly Member Perea, Assembly Member Skinner,
10 Senator DeSaulnier really wanted to come, but he
11 was sick that day, but wrote terrific comments.
12 The Governor's Office was involved. We had many
13 of our Public Utilities Commission Commissioners
14 come and participate with us, folks from Air
15 Resources Board, from California ISO. And
16 really, you know, experts from around California
17 and the nation, and a couple from around the
18 world to call in and really talk with us as we
19 think through this important component.

20 So I'd really like to thank my
21 Transportation staff who were working on the IEPR
22 and also the IEPR staff, who does a terrific job,
23 you know, Heather Raitt, Lynette Green, Stephanie
24 Bailey, Laura Ernst, Raquel Kravitz, John Butler,
25 Jim McKinney, Tim Olson, Leslie Baroody, I'm sure

1 I'm missing tons of people who helped draft that;
2 when we get to the IEPR early next year, we'll go
3 through in more detail the terrific folks who
4 have all helped put that together.

5 Another interesting discussion that we
6 teed up as part of the IEPR Update, and we talked
7 about our Update a little bit today, is the state
8 of technology, the state of the fuels, and how
9 the transportation sector and the electricity
10 sector and the natural gas sector are all
11 starting to kind of integrate together with one
12 another, and so we sort of teed up some of those
13 topics, which I thought was also really
14 interesting.

15 So let's see, you know, I would also like
16 to take this opportunity to recognize the hard
17 work and long hours of all of the dedicated staff
18 that work here with us at the Energy Commission,
19 you know, they're the heart and soul, the ones
20 that help us get done all of the important things
21 that we're trying to do and keep California in
22 the leadership position that we're in.

23 In 2014, I was the Lead for
24 Transportation, I was the Lead for the Integrated
25 Energy Policy Report Update for Western Regional

1 Planning, and I worked closely with stakeholders
2 and other agencies to help implement the
3 Governor's Zero Emission Vehicle Action Plan, and
4 continued forward progress towards the
5 transformation of the Transportation Sector in
6 California. I was Associate Member with
7 Commissioner Douglas on some of the siting cases.
8 I was happy to lend a hand where I could on the
9 DRECP effort, so it was a lot of fun to get to
10 work with you on those things this year.

11 We visited several military
12 installations, Commissioner Hochschild and I, and
13 that was just a terrific opportunity to
14 understand where there are opportunities for the
15 Energy Commission and the Department of Defense
16 to collaborate together on things that we would
17 like to see accelerated for energy. And so I
18 would like to thank also Mike Gravely and Jim
19 Bartridge for their great work and sort of
20 putting together really good detailed visits.

21 And then I don't get to work with the
22 Chair and Commissioner McAllister as often as I
23 might like, but it's great to have such good
24 colleagues and to learn from you all, and watch
25 how you do things and get things done, as well.

1 So I really appreciated getting to work with you
2 and getting to learn from you.

3 Let me just run through a few staff names
4 that I would just be remiss for not noticing. I
5 wanted to do a special thanks to Randy Roesser,
6 so he wrapped up a 25-year career here at the
7 Energy Commission. His dedication to public
8 service, his commitment to quality and
9 excellence, and his knowledge of State budgeting
10 procedure was instrumental in the reauthorization
11 of our program through AB 8 for another 10 years,
12 and so we will miss his leadership, but we are
13 very very lucky.

14 My congratulations and thanks to Judith
15 Friedman who took over that role and that was in
16 September, and she's been keeping all of our
17 Alternative Fuel, Vehicle and Technology
18 decisions on schedule. She joins us from the Air
19 Resources Board and brings a wealth of knowledge
20 and experience gained from a distinguished career
21 in state service.

22 I want to acknowledge Kyle Emigh and John
23 Butler, they keep the trains running on time,
24 they do a great job. I think I mentioned Jim
25 McKinney, Andre Freeman, Charles Smith, Jean

1 Baronas, Leslie Baroody, and the attorney team,
2 Samantha and Lisa and Alan and others that kind
3 of help us as we're putting solicitations
4 together. And then I wanted to mention Debbie
5 Jones, who is one of the Managers of the Fuel and
6 Transportation Division. She is retiring after
7 40 years at the Energy Commission, and her
8 institutional knowledge is just instrumental in
9 improving both the program and the Commission,
10 and I really want to thank her for her dedicated
11 service.

12 And then I would love to thank our
13 Executive Office, you guys do a great job for us,
14 thank you so much. And to Jeff Ogata and the
15 legal team, I think, has been great and they help
16 a lot with the solicitations and different pieces
17 we're trying to put together.

18 And then last, but certainly not least,
19 you know, Eileen Allen, I want to second what
20 Commissioner Douglas said, she's been a fantastic
21 advisor to all of us on Siting cases.

22 And then to my terrific team, Michelle
23 Lorton, my Executive Fellow Michelle Chester,
24 I've got a terrific Engineering student, Oshae
25 Bennett working with us, Tim Olson, and to Rhetta

1 deMesa who served as a terrific Advisor for me
2 while Lezlie Kimura-Szeto was on maternity leave,
3 and we miss Rhetta a lot, but we're delighted
4 that Lezlie is back, she's been a fantastic
5 Advisor, as has Jim Bartridge. So I just have a
6 terrific team of people that support and help me
7 a lot, and so I'm talking really fast, but those
8 are my thanks.

9 COMMISSIONER DOUGLAS: Thank you,
10 Commissioner Scott. Who is next? Go ahead.

11 COMMISSIONER MCALLISTER: Wow, a lot.
12 Well, likewise, it's great to work with all of
13 you folks. I wish the Chair were here, too, that
14 would be nice to sort of wrap it up with him
15 because he provides a lot of very fearless
16 leadership and certainly from a base of really
17 deep knowledge. But he's off in China changing
18 the world.

19 So I'm going to try to go relatively
20 quickly here. I guess my main area is Energy
21 Efficiency and it touches a lot -- well, it's a
22 fairly large division, and touches a lot of
23 different topic areas, and they can get kind of
24 detailed as we sort of hear Business Meeting
25 after Business Meeting, there's quite a bit of

1 detail. Energy Efficiency is one of the things,
2 along with Siting, really, that the Energy
3 Commission has done since the outset, and it is
4 really kind of part of our core mission and I
5 think it's reflected in just the depth of
6 knowledge and commitment of the staff that works
7 on particularly those areas, Building Standards
8 and Appliance Efficiency Standards.

9 So we talked a bit about Prop. 39 today
10 and I want to just acknowledge that team, so
11 Marcia Smith leads that team very capably, Liz
12 Shirakh and Joseph Wang, those are the three main
13 folks, but it's a team of about a dozen people
14 and they all really step up to the plate. And
15 they overlap quite a bit with the ECAA Team and
16 the Bright Schools Team, as well, so those
17 funding programs and technical assistance
18 programs are really making a big impact in the
19 state, certainly with Prop. 39, but they have
20 been here for a long time and they've loaned out
21 many tens of millions of dollars to schools and
22 public facilities across the state, and that's a
23 really hugely important effort.

24 On the Appliance Standards Team, our
25 Title 20 Team, it's a small team but it is a

1 powerful team, they have saved us a lot of money
2 over the decades in California, our pockets are
3 better off for that. Ken Rider and Harinder and
4 Tuan are the three main folks there. And they
5 have a lot of work that they're carrying forward
6 now as we wrap up this year and head to 2015. So
7 we're going to be seeing a lot of production from
8 them and I'm really confident in their abilities
9 to move all of that forward.

10 The Existing Buildings Team, we have a
11 couple of new additions to that team, Martha
12 Brook and Abhi Wadhwa, and they're both just top
13 notch, super smart and really just go getters and
14 I'm really happy to have them on that team, we
15 have a lot to do in the coming year on the
16 Existing Buildings front.

17 Let's see, I also wanted to highlight or
18 just call out Joan Walter at the Standards
19 Implementation Office, she is a new addition to
20 that office, as well and really is doing a great
21 job and providing a lot of leadership there, so
22 I'm really happy about that.

23 I want to in the middle here just call
24 out my own staff, there are a lot of balls in the
25 air in the Energy Efficiency realm, I mean all

1 our realms really, but I have just a couple of
2 very very capable staff, Hazel Miranda and Pat
3 Saxton, and I'm not sure how many balls they
4 juggle, but it's a lot, it's way more than three.
5 And they keep things moving in a good direction
6 and make sure I'm networked in the right ways and
7 really appreciate that. And Donna Parrow, my
8 Executive Assistant, is just fantastic, keeping
9 it all moving.

10 On the Legal front, Pippin, I just want
11 to thank the folks that I work with most closely,
12 and that's Pippin Brehler, Caryn Holmes, Galen
13 Lemei, all on different fronts generally, and
14 Taylor Rhodes is a relatively new addition to the
15 team, but who is doing a great job and really
16 stepped up.

17 And then the Executive Office, you know,
18 Drew and Rob, I mean, Drew has been birddogging,
19 I mean, you've got Retriever gene or something,
20 you know, birddogging a lot of issues and just so
21 persistent and nice about it, and getting
22 results, and running things down, and circling
23 back with people that have committed to things,
24 and on fronts that are really important to do all
25 of that on, you know, that can't wait. And I

1 really appreciate that skill set that Drew
2 brings. And Rob, as well.

3 Let's see, I wanted to call out, well, on
4 the media front, Lori Sinsley and Amber Beck.
5 Amber is mostly on Energy Efficiency and does a
6 really great job of lining things up and getting
7 the ducks in a row, and good talking points,
8 figuring out what exactly the event is about, or
9 what the Reporter wants to talk about, etc. etc.,
10 so that's really invaluable to keep us on
11 message.

12 Over in the Chair's Office, Grant Mack
13 and Kristen Driskell are just terrific assets,
14 Kristen on the appliances stuff has just, she
15 really takes up a lot of space in representing
16 the Commission and doing it very well, and has
17 taken on new roles in Mexico and helping the
18 Chair on those fronts, as well. And Grant, of
19 course, is just a little bit of everything.

20 And I also wanted to call out Jennifer
21 Nelson over in Commissioner Douglas' office, she
22 has been a good sort of partner with all of us on
23 the Siting stuff and the energy efficiency stuff,
24 as well, and so I enjoy working with her.

25 So we, let's see, highlights from 2014, I

1 want to just call out a few, so Prop. 39, we
2 talked a bit about that today, but we have a
3 couple hundred, more than 200 expenditure plans
4 approved and they are just coming fast and
5 furious and we're getting the system down and
6 we're really able to process and evaluate and I
7 think as the patterns emerge, staff gets better
8 and better at that. And hopefully we'll get even
9 more as people start to stretch their wings in
10 the schools, figure out what's possible, we'll
11 get some more innovative proposals and we'll be
12 able to go more aggressive and scope out some
13 projects that really push the envelope.

14 A lot of pre-rulemaking work on
15 Appliances, particularly on water devices, some
16 lighting technologies, looking at some consumer
17 electronics now, and staff has been really
18 pushing forward on that and working with a lot of
19 different stakeholders. So a lot has gotten done
20 this year, but we have even bigger lifts coming
21 up next year.

22 I want to also call out the SB 454 team.
23 I think John Nuffer and his team did a really
24 great job of getting that altogether and it's
25 moving forward very nicely, together with

1 Commissioner Douglas, who has really led that
2 effort.

3 The ongoing transition over to the new
4 CBECC is, I think we had some accomplishments
5 this year, sometimes we lose sight of that
6 because it's a difficult transition and it's just
7 a lot of effort by staff and stakeholders. You
8 know, we hear about it often in the Business
9 Meetings. I'm looking forward to kind of getting
10 that sort of brute force transition behind us,
11 but I think it's going to really pay benefits in
12 spades.

13 Let's see, I must have lost my other
14 page. I'm going to have to call it a day.

15 COMMISSIONER DOUGLAS: All right.

16 COMMISSIONER MCALLISTER: Yeah, I think
17 that's it. So, yes, anyway we have a lot of work
18 along those lines coming up.

19 COMMISSIONER DOUGLAS: Thank you,
20 Commissioner McAllister. Commissioner
21 Hochschild.

22 COMMISSIONER HOCHSCHILD: Okay, well,
23 first of all let me thank Suzanne for actually
24 coming down to be thanked. I'm actually going to
25 save my thank you's for individuals for when

1 they're here in person, I think it's better to do
2 that, but I do want to say a few words about
3 Suzanne because I think this has kind of been the
4 year of torch passing and, you know, when this
5 new rule was created in the Renewable Division,
6 you know, Suzanne was up for it and stepped in
7 and took over at a very busy time. And Jeff
8 Ogata, by the way, you too stepping up when
9 you're needed. And with the Renewable Team,
10 there's a lot of work that happens that's kind of
11 below the radar, I mean, we processed 900
12 certifications of renewable projects and that's
13 just ongoing work, all the grants for the
14 Renewable Energy Conservation Planning grants for
15 all these Counties, and for the Geothermal
16 Program. And I think the biggest and probably
17 the most exciting to me has been what's happened
18 with taking over the New Solar Homes Program, and
19 getting fantastic results. We're getting great
20 feedback from stakeholders, I get it all the
21 time, there's one centralized well run
22 administration now, and it's significantly lower
23 cost, and it's a streamlined process, and so
24 thanks to Commissioner McAllister for getting
25 that ball rolling and I'm very pleased with the

1 results.

2 We did of course make some program
3 improvements to offering those west facing PV
4 incentive, which I feel really good about and
5 it's been picked up in the *New York Times*.

6 So I guess the other point I would make
7 just about kind of the moment of the 40th
8 Anniversary and the significance of that, and I
9 think I'm very excited about the events that
10 we'll be doing in January around that, but we
11 also are going to be rolling out a new logo and
12 I'm very pleased with how that's turned out, I
13 think it's a good symbol of the Energy Commission
14 of the future, and you know, we've got this
15 newsletter going, and I know there's going to be
16 some LEDs put in this room as we move to really
17 be a model ourselves of the technologies we're
18 trying to promote. So I also just want to thank
19 Rob and Drew again for being tremendous partners.
20 So I'm glad to be working with all of you.

21 COMMISSIONER MCALLISTER: Sorry, I found
22 my page, not to bracket you, David, but actually
23 I meant to acknowledge Dave Ashuckian and
24 Christine Callopy who are the leaders of the
25 Division, Dave being the Deputy, you know,

1 they're working hard to fill some of the
2 vacancies we have in the Division, and really get
3 the right staff, get some new folks in that have
4 good experience out there in the world, and get
5 the right staff in the right spot, and they have
6 a plan and are executing in fits and starts kind
7 of necessarily, but making forward progress on
8 that. And yeah, I think I'll just leave it at
9 that, then.

10 COMMISSIONER DOUGLAS: All right, great.
11 Thank you. Well, let's go to Executive
12 Director's Report, you know, I said we'd do
13 Commissioner Reports, too, maybe we can combine
14 these. Mine is going to be two seconds long.

15 I mentioned earlier I did visits to the
16 Quechan Tribe and the Colorado River Indian
17 Tribes, they were really good visits, important
18 visits. That's about all I have to report.

19 Do either of you have reports that are
20 about that length?

21 COMMISSIONER SCOTT: I'll make mine very
22 short also, but not because I talk so fast, I'll
23 try to talk slower this time, which is we had two
24 great kind of getting to the final stretch of the
25 IEPR, and so two weeks ago we did the workshop on

1 the Draft itself, which was great, we got lots of
2 comments mostly on Commissioner Douglas' piece,
3 but I'm hoping that we get some real good
4 comments. And then on Monday, actually, we did
5 the Demand Forecast Update Workshop and that was
6 also that the utilities seemed pleased with where
7 we are, and so I guess it's good that we got that
8 one done before we opened up the rules for the
9 next one today. So two updates.

10 COMMISSIONER MCALLISTER: Yeah, just I
11 went to D.C. last week, probably the main thing
12 that I wanted to mention, for the NASEO meeting
13 which is the National Association of State Energy
14 Officials, which was mostly talking about 111(D)
15 which is how the new Clean Air Act existing power
16 plants rule is going to affect the various
17 states, and it's just really fascinating to see
18 all the different opinions about that and
19 viewpoints, and which states are sort of
20 basically not going to do much and hope they
21 don't get caught. And California at the other
22 end, that's all about, hey, make it more strict.
23 So lots of variation in our 50 states, in our
24 beautiful Federal system.

25 And then there was a 3N meeting two days

1 after that, so the NASEO and NACAA, which is the
2 Clean Air Agencies, so ARB and their equivalents,
3 and the NARUC, which is the PUCs, all get
4 together and talk about 111(D) as well. And the
5 interesting thing about that meeting was that it
6 was all about energy efficiency, it was a
7 specific two-day meeting for the 3N, so a lot of
8 regulators in the room talking about energy
9 efficiency and all the different ways that it
10 ought to count. And EPA and DOE, EPA in
11 particular, was in the room listening to it all,
12 so it will be kind of interesting to see how that
13 all plays out. So that's it for me.

14 COMMISSIONER DOUGLAS: Great. And of
15 course, thanks Commissioner Scott for reminding
16 me that the staff worked on that IEPR chapter
17 needed to be on the list, too. So with that, let
18 me go to the Executive Director's Report.

19 MR. OGLESBY: Thank you Chair and
20 Commissioners. I think I'll start with an
21 acknowledgement and an announcement, that's
22 probably most appropriate, and that is on the
23 acknowledgement side we've had an excellent
24 Legislative Director in Jay Dickenson. His
25 contribution to the Energy Commission in I think

1 a little bit less than two years has been nothing
2 short of outstanding, it's rebuilt our
3 relationship with the Legislature, he's helped us
4 in numerous complex and demanding legislative
5 negotiations, and has rebuilt the Legislative
6 Office, added a lot of talented new staff, and
7 really helped the success of the Energy
8 Commission.

9 And the announcement is, as you all know,
10 but for others who might be listening, is that
11 he's accepted a position, he's taken advantage of
12 his training here at the Energy Commission and
13 accepted a position in the Senate Energy
14 Committee which is a great step in his career, an
15 interest area of his, and I think will also be
16 beneficial to have someone with an in-depth
17 understanding of the Energy Commission's programs
18 and policies and so forth in the Capitol and the
19 Senate, so a great deal of gratitude for his
20 dedication and work, and we'll miss him, we're
21 advertising right now for his successor.

22 And I wanted to pick up a few folks that
23 we hadn't mentioned yet, you have taken care of a
24 lot of folks on my list and I'm glad you
25 mentioned Randy, I was going to pick up Randy's

1 contribution after he spent a long career here at
2 the Energy Commission and has been doing some
3 extra duties and will be moving on at the very
4 first part of January to a well-deserved
5 retirement.

6 And I think we should also acknowledge
7 some of the staff in the Chair's office that has
8 been working tirelessly and contributing. You
9 mentioned Christine Driscoll and Grant Mack, but
10 I'd like to add to that an acknowledgement of
11 Kevin Barker, who has been helping the Energy
12 Commission across the board, really, stellar work
13 in many many areas including the International
14 work, but just keeping on top of things and
15 adding value at every step of the way. And that
16 would include some of the work that was done in
17 coordinating with the Military and he's had a
18 lead role in that work with Mike Gravely, as
19 well, but many many other projects that all
20 associate with the Chair's Office, and a very
21 hard working, well deserved thank you to Kevin
22 Barker.

23 And in the Renewables, Suzanne, well
24 deserved thanks, but I also wanted to recognize
25 and acknowledge Kate Zocchetti, who has been a

1 valuable asset to the Energy Commission for many
2 many years, particularly in getting the
3 renewables program going, and she is retiring,
4 and has retired, actually, just very recently.
5 But her service to the Energy Commission is
6 outstanding and deserves to be observed here.

7 Sylvia Bender, Michael Jaske in our
8 Energy Analysis Division, outstanding and
9 seasoned and very knowledgeable in all they do,
10 particularly important in reliability and
11 preparing the IEPRs, and really providing the
12 data and analytical backbone that so many of the
13 other programs rely on and that build off of, so
14 really fundamental.

15 And also to make us all be able to do our
16 jobs here, Mark Hutchison who keeps the trains
17 running in the Administrative Services Division,
18 and his two top Lieutenants, Rachel Grant-Kiley
19 and Veronica Rodriguez, I saw her there, she's
20 here, and Veronica as well, working very hard and
21 keeping the energy going.

22 And then I'm going to close by
23 acknowledging and thanking my right hand, Chief
24 Deputy Drew Bohan who is dedicated, hardworking,
25 always there, and as you observed is definitely

1 one who makes sure that people follow through and
2 that we're coordinated in talking to each other,
3 and has been an outstanding Chief Deputy and lots
4 of gratitude for him as my right hand.

5 And my other right hand, Tanya Chandler,
6 who joined us recently, is the Administrative
7 Assistant who has the busiest desk in the Agency,
8 everything flows through that desk, and she's
9 handling it very capably. So I think that covers
10 -- I'm sure I have not mentioned some folks that
11 I should, but I think I've done what I can.
12 Thank you.

13 COMMISSIONER DOUGLAS: Excellent. Thank
14 you very much. Let's go on to the Chief
15 Counsel's Report.

16 MR. OGATA: Thank you. I actually have
17 one piece of business I want to report out. This
18 is on Agenda Item 24(g) which is Helping Hands
19 vs. Energy Commission. And I would like to
20 report that the plaintiffs in that case have
21 dismissed that lawsuit against the Energy
22 Commission, I think it was November 21st, so we
23 can take that matter off of our calendar; I would
24 love to tell you that it's because of the
25 excellent and persuasive legal work that we did,

1 probably, but I can't say that for sure because
2 we didn't really get an explanation. We had been
3 talking to Plaintiff's Counsel about dismissing
4 the lawsuit, and they just decided to do it one
5 day and they informed us they were going to and
6 they did, so anyway, that's one less lawsuit we
7 have to worry about.

8 And just as part of my other report,
9 again, I want to thank all of you for your
10 leadership, along with Rob and Drew, and your
11 support in making my transition less traumatic
12 than it probably could have been, I appreciate
13 that, and our office, I know all of our Attorneys
14 appreciate the leadership that you guys provide
15 to us, as well. So thank you.

16 COMMISSIONER DOUGLAS: Thank you very
17 much. Now Public Advisor's Report.

18 MS. MATHEWS: I want to thank Blake
19 Roberts as you have, who has gone on, but who was
20 definitely a great help to completing the work in
21 the Public Advisor's Office. Again, my right
22 hand person, Laura Murphy. Also thanks to Lon
23 Payne who temporarily assisted my office, as well
24 as Alejandro Venegas and Khlement Hodge, who is
25 here, and Cheryl Loehr who have volunteered their

1 time to help the Public Advisor complete her
2 mission.

3 I also want to say thanks for the support
4 of each and every one of the Commissioners, as
5 well as Rob and Drew for helping me expand the
6 role of the Public Advisor to ensure full and
7 adequate participation of members of the public,
8 stakeholders and interested parties, in all areas
9 of Commission business.

10 In the Siting Division, we have continued
11 the tradition of outreach, which has most
12 recently included meeting with Intervenors and
13 conducting an AFC Overview Presentation in Long
14 Beach where approximately 30 community members,
15 City officials, and environmental organization
16 members attended. We also attended and offered
17 support with the DRECP Workshop, as well as one
18 of the Tribal Consultation meetings in Southern
19 California.

20 With the Energy Assessment Division, we
21 provided support for the IEPR Workshop,
22 specifically the trends and sources of crude oil.
23 In Fuels and Transportation, we provided support
24 and guidance in outreach efforts to ensure all
25 Californians have opportunities to participate in

1 funding opportunities under the Alternative and
2 Renewable Fuel and Vehicle Technology Program.

3 Under the Energy Research and Development
4 Division, we provided support and guidance again
5 to ensure all Californians have the opportunity
6 to participate in funding opportunities under the
7 EPIC Program.

8 With the Renewable Division, we have
9 provided support with calls and questions for
10 various programs, including the New Solar Home
11 Partnership and the Renewable Portfolio
12 Standards.

13 With the Efficiency Division, we have
14 supported and offer consultation on Prop. 39
15 issues implementation of the 2013 Building Energy
16 Standards and Nonresidential Building Energy Use
17 Disclosure Program.

18 I also want to thank Jeff Ogata in the
19 Legal Division for answering my questions
20 whenever I need them. Currently we are working
21 on revising the Siting Guide and providing other
22 public participation guides for rulemakings,
23 intervening, and participating in funding
24 opportunities.

25 Internally, we have made recommendations

1 for ensuring measures are in place to ensure the
2 safety of members of the public in the event of
3 an emergency, as well as measures to keep
4 Commission staff safe on the rare occasion they
5 may be subjected to less than polite
6 interactions.

7 I'd like to thank all Commission staff
8 who have taken my calls, set up appointments to
9 brief me and my staff as we remain on a very very
10 big strict learning curve to constantly take
11 crash courses in whatever the most pressing issue
12 of the day is. Thank you.

13 COMMISSIONER DOUGLAS: Alana, thank you
14 so much and thanks for your work. All right,
15 with that, is there any public comment in the
16 room? I see none. One the phone? I don't think
17 so. We are adjourned.

18 (Whereupon, at 2:59 p.m., the Business Meeting was
19 adjourned.)

20 --oOo--

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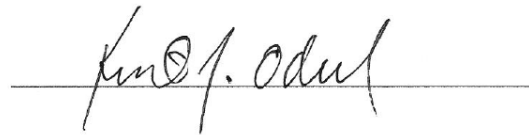
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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of December 2014.

A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

Kent Odell
CER**00548

TRANSCRIBER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of December, 2014.

A handwritten signature in cursive script, reading "Karen Cutler", is written over a horizontal line.

Karen Cutler
Certified Transcriber
AAERT No. CET**D-723